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Creusot-Loire: the struggle for survival, Page 18

NEWS SUMMARY

GENERAL

Narrow loss for reform in Brazil

The Brazilian Opposition's proposal to restore direct presidential elections was narrowly defeated, by 22 votes, in Congress yesterday.

The Bill failed after a long, angry debate, and despite the defection of 55 Government party deputies. Chants of "the struggle will continue" came from the packed public galleries, as organisers of the national campaign to end military rule vowed to fight on.

The Government is now waiting to see how the big cities react. If serious disturbances erupt, the emergency powers for the Brasilia area could be extended to other cities. Page 6

Tanker fire

The Safina el-Arab, a Saudi-registered oil tanker, was ablaze near Kharg Island. Crew said it seemed to have been hit by a missile, but Iraq has not said it attacked ships in the area. Page 20

Border claim denied

West German border police, contradicting Pentagon reports that a U.S. army helicopter was fired on after crossing the Czech border last week, said it was just chased away by fighters.

Crash kills 17

At least 17 died and 30 were hurt when a train and bus collided near Oporto, Portugal.

Salute for Reagan

President Reagan became the first foreign leader to be welcomed to Peking by a 21-gun salute since the Cultural Revolution. He is visiting China for six days. Page 20

Hostages freed

Rightist Unita guerrillas freed 90 hostages held for up to six months in south Angola. Sixteen Britons are still captive. Page 4

Punjab deaths

Three people died in clashes in the Punjab, bringing the death toll since New Delhi took over direct rule of the state six months ago to 181. Page 4

Karami returns

Lebanese President Amin Gemayel appointed as Premier Rashid Karami, a Sunni Moslem backed by Syria, who has held the post nine times since 1955. Page 4

Iranians protest

Iranians sprayed teargas in the Frankfurt offices of Iran Air, in a protest against the Khomeini regime's detention of political prisoners. Other protests were held in London, Paris, Vienna and The Hague.

Olympic flare-up

The Greek Olympic Committee withdrew its co-operation in lighting the Olympic flame and running it across Greece. The Los Angeles games organisers' plans for it had provoked allegations of commercialisation.

Families released

Thirty dependents of British Embassy staff in Libya left Tripoli after several hours' unexplained delay. Libyan diplomats and families left London, after Britain's decision to end relations with Libya. Page 10

Briefly...

Count Basie, bandleader, died in Florida at 79.

Fire destroyed 900 hectares of forest in the Dordogne, France.

BUSINESS

ICI up to £245m in first quarter

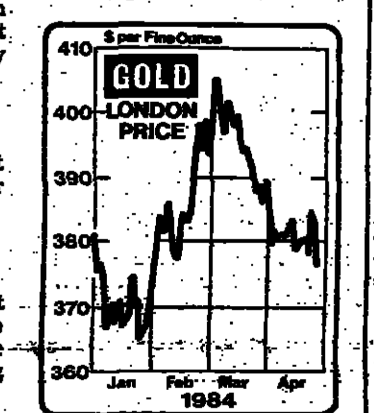
IMPERIAL CHEMICAL Industries of Britain reported pre-tax profits for the first quarter of £245m ($343.7m), up £117m on the same period last year and £71m on the preceding quarter. The main improvement was in Western Europe. Page 20 and Lex; Details, Page 28

MOBIL, second biggest U.S. oil group, said first-quarter net income rose 52 per cent to $380m, 93 cents a share, on sales of $15bn ($14.3bn). Page 21

FEDERAL Trade Commission tentatively approved a consent agreement to allow Standard Oil of California to acquire Gulf.

DOLLAR improved further in London, closing at DM 2.6965 (DM 2.6795), a two-month high, SwFr 2.227 (SwFr 2.217), FFr 8.2725 (FFr 8.2275) and Y226 (Y225.65). Its trade weighting was 129.0 (128.6). Page 43

STERLING lost 85 points in London at $1.403 and was unchanged at DM 3.785 but lower at SwFr 3.1275 (SwFr 3.1325), FFr 11.605 (FFr 11.61) and Y311.25 (Y318.75). Its trade-weighted index was 0.1 lower at 79.8. Page 43



GOLD lost $6 in London at $376.75, $4.5 in Frankfurt at $377.75 and $3.25 in Zurich at $377.25. Page 42

LONDON: FT Industrial Ordinary index rose 11.5 to 899.1. Report, Page 37; FT share information service, Pages 38-39

WALL STREET: Dow Jones index was up 10.67 at 1,174.20 at 3.30pm. Report, Page 33; Full share listings, Pages 34-36

TOKYO: Nikkei Dow index added 35.18 at 10,901.52. The Stock Exchange index was 4.29 higher at 854.49. Report, Page 33; Leading prices, other exchanges, Page 36

ASIAN Development Bank was accused by developing country members of charging too much interest and not encouraging the use of local materials in projects. Page 4

McDONNELL DOUGLAS, U.S. aerospace group, posted a 13 per cent rise in first-quarter net earnings to $67.5m, $1.69 a share. Page 21

CERMOC, Mexican brewery which owes $370m abroad, faces a new bankruptcy threat as Northwestern National Bank of Minneapolis brings new legal proceedings. Page 21

MOËT-HENNESSY, diversified French champagne company, announced a big advance in first-quarter sales. Net group profit rose 18.5 per cent to FFr 401.8m ($49m) in 1983. Page 24

SAAB-Scania, Swedish car and aerospace group, lifted sales by 24 per cent to SKr 6.176bn ($779m) in the first quarter; earnings rose faster. Page 22

The editorial content of today's international edition has been restricted because of industrial action by IG Druck und Papier at Frankfurter Societäts-Druckerei, where the edition is printed. This prevents the publication of late-breaking news, the final Wall Street report and closing U.S. share prices.

SKr 3bn deal cuts ties between Volvo and Wallenberg

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

The unprecedented power struggle between two of Sweden's leading industrial groups, Volvo and the Wallenberg conglomerate of financial and industrial corporations, reached its climax yesterday with each agreeing to sell its interest in the other's companies.

Volvo is to sell its 25 per cent holdings in Atlas-Copco, a leading engineering company, and Stora Kopparberg, one of the country's biggest forest product groups. It will make a capital gain on the deals of around SKr 1.3bn ($164m).

The shares will be sold at a premium to Investor and Providentia, the two investment companies which act as the linch pins of the Wallenberg industrial and financial federation.

Together they hold substantial stakes in some of Sweden's other major corporations, including Asea, Ericsson, Saab-Scania, SKF, Electrolux and SE Banken, the country's biggest bank.

At the same time Investor and Providentia – both chaired by Mr Peter Wallenberg – have agreed to sell their holding of 1.2m A shares in Volvo to a series of investors to be approved by Volvo.

The A shares hold around 9 per cent of the votes in Volvo, the Nordic region's biggest industrial corporation. In future Investor and Providentia will hold only 600,000 B shares in Volvo. Each B share has only a tenth of a vote.

The various share deals have a market worth of around SKr 3bn, and together represent the biggest transaction in the history of the Swedish stock market.

Volvo traditionally had no large single shareholder until Wallenberg interests began buying heavily into the group in the last two years, building up a stake controlling 15 to 20 per cent of the votes.

The Wallenberg purchases were made as a defensive move to counter the holdings Volvo had already taken in Atlas Copco and Stora Kopparberg. Mr Peter Wallenberg is chairman of Atlas Copco and vice-chairman of Stora Kopparberg.

Mr Pehr Gyllenhammar, chairman of Volvo, is now expected to give up his seat on the Stora Kopparberg board but to remain on the Atlas Copco board.

The decision by both sides to disengage is a major blow to the legacy of Marcus Wallenberg, the man who for decades headed the most powerful industrial and financial dynasty in Sweden.

One of his last moves before his death in 1982 was to reach agreement with Mr Gyllenhammar for Volvo's entry into the Wallenberg group through the purchase of the holdings in Atlas and Stora.

The two sides admitted yesterday that "the co-operation had been neither effective nor practical." They had decided to disengage to avoid "potential conflicts of interest."

Mr Gyllenhammar admitted that there had been difficulties.

"We went into something that we thought would be ideal for Swedish industry, but we have been forced to see that this was not the case," Mr Wallenberg admitted.

Turkey re-opens bidding on deal 'won' by ITT

By Jason Crisp in London and David Tonge in Istanbul

NEGOTIATIONS on a $300m telecommunications order for Turkey, which ITT claimed it had won earlier this month, are being re-opened.

"We have made no final decision," Mr Turgut Ozal, the Turkish Prime Minister, told the Financial Times yesterday. "We are still open to all the companies," he added.

L. M. Ericsson of Sweden and Siemens of West Germany are the other main competitors. The Swedish company argued earlier this week that the contract had not been awarded and that it was continuing to bid.

ITT insisted last night however, that it had won the contract. Mr Barnard McFadden, president of ITT Africa and Middle East said: "The letter of award issued on April 5 states a decision has been made and that Bell Telephone Manufacturing (ITT's Belgian subsidiary) has been awarded the tender."

Senior Turkish Government officials yesterday accused ITT of making a premature announcement. But ITT said its press release on the contract had been approved by the appropriate officials.

The five-year contract is for half of Turkey's new digital telephone exchanges which are being installed as part of a $6bn scheme to modernise the country's telephone network. ITT believed that it was in a strong position to win total orders of $900m in Turkey.

Turkish officials said the Government had initially awarded the contract to ITT because it believed the company could help persuade the U.S. Congress not to make payment of U.S. aid dependent on Turkish concessions over Cyprus. Late last month the U.S. Senate foreign relations committee insisted that $215m of the $934m aid proposed by the administration for Turkey, in fiscal 1985, be linked to Turkish willingness to let Greek Cypriots resettle in an area occupied by Turkish troops in 1974.

Siemens and Ericsson say they are ready to offer better terms than previously. They also say that the letter of award to ITT was unusual as it had not been approved by the board of the PTT, the national communications authority or Teletas, the PTT's subsidiary involved.

Ericsson-Turk, the Swedish company's local affiliate, says its new offer will be around 10 per cent below its previous one. Siemens says that it has written to the Government complaining at not being approached so that it could improve its terms.

Thomson and Philips seek computer pact

BY PAUL BETTS IN PARIS

THOMSON and Philips, the French and Dutch electronics groups, are working towards a major agreement for co-operation in the growing European market for personal computers.

Discussions between Thomson and Philips over the development of a common standard for personal computers were advancing and could lead to an agreement in the next two to three weeks, M Jean Gerothwohl, president of Thomson's personal computer division, said yesterday as the state-owned French group unveiled its new line of personal computers.

Thomson's two new products include the M05 personal computer which will retail in France at FFr 2,390 per unit, and the more powerful T07-70 which will be sold at FFr 3,490 per unit.

Thomson officials said that the discussions with Philips were initially focusing on the M05 personal computer, with the French company considering building these personal computers for the Dutch group and eventually selling Philips a licence.

M Gerothwohl indicated, however, that Thomson was seeking as broad a collaboration as possible in personal computers with Philips. He suggested an association between the two electronics groups would constitute a significant alliance able to develop a European personal computer industry on a world scale. He also said that a Thomson-Philips accord on personal computers could be a first step towards creating a European software and computer peripherals industry.

M Gerothwohl did not expect the current talks between Philips and Atari, the U.S. videogame and music computer company owned by Warner Communications, to present any problems for a Thomson-Philips agreement to collaborate in the personal computer market.

He thought the Philips-Atari discussions involved the videogame sector rather than a Philips takeover of the U.S. company. But he said: "If Philips bought Atari, why should we not buy Atari with them?"

Thomson already collaborates with Philips in the videogame field.

Thomson is hoping to sell between 100,000 and 120,000 of its two new personal computers this year. M Gerothwohl said Thomson's

Continued on Page 20

Tariff row could delay British Telecom issue

BY GUY DE JONQUIERES IN LONDON

SHARP DISAGREEMENTS have arisen between British Telecom and the UK Government over the future regulation of BT's tariffs. Unless the dispute is resolved quickly, it could delay the sale – planned for October – of 51 per cent of shares in the organisation, which is expected to raise £4bn ($5.64bn).

The problem comes on top of growing government doubts about how much of the planned issue will be bought by UK institutions and foreign investors. It is now counting on raising no more than £2bn through the City of London and is therefore pinning its hopes on selling almost half the issue to as many as 2m individual telephone subscribers.

Although it still aims for an October sale, the UK Government is reconciled to the possibility of waiting until early December. Such a delay could, however, complicate the selling arrangements, not least because of market uncertainties about the outcome of the U.S. presidential election in early November.

BT is worried that government insistence on pegging its UK tariff increases to 3 percentage points below the rise in the retail price index could place it in a cash squeeze soon after privatisation. It wants the limit on increases to be only about one per cent less than the RPI.

Its concern is also echoed in the City of London. Major institutions are warning that tighter tariff controls would diminish BT's appeal as an investment and could threaten the success of the floation, which is the biggest test yet of the UK Government's privatisation programme.

But despite an appeal from BT to reconsider the Treasury is standing firm, arguing that tariff restraints will provide an incentive for BT to cut costs and improve its efficiency.

Indeed, the Government this week toughened its position by withdrawing an earlier concession which would have entitled BT to raise tariffs by only 2 per cent less than the RPI if the latter rose by less than 3 per cent annually.

After months of intensive negotiation BT appears to have resigned itself to government proposals to give it a capital structure with a higher proportion of debt than it had been seeking.

The balance sheet ratios would

Continued on Page 20

Sweden offers novel $800m U.S. issue

BY MARY ANN SIEGHART IN LONDON

A FURTHER push towards deregulation of U.S. financial markets came yesterday as Sweden launched an $800m borrowing package which combined the U.S. capital markets with commercial bank lending.

Under existing law, commercial banks which take deposits from the public are not allowed to underwrite or distribute securities.

The 50-year-old Glass-Steagall Act has come under increasing pressure in the last few years, however, and Sweden's deal allows commercial banks to act as underwriters in all but name.

Sweden is borrowing the $800m through a floating rate note (FRN), which is a bond whose interest payments are pegged to short-term interest rates. Lead manager Salomon Brothers, the U.S. investment bank, claims it is the largest FRN seen in the U.S. bond market.

The money will be used to repay an existing, much more expensive bank credit which was arranged by Chase Manhattan in 1981. The interest saving on the bonds is up to 1 percentage point.

Though the final maturity is seven years, investors can have their bonds redeemed every year. Salomon Brothers will try to resell these bonds to other investors. If it fails to do so, a group of commercial banks, led by Chase Manhattan, will lend the balance of the money back to Sweden at slightly more expensive terms, while holding the surplus bonds in trust as security. Since Sweden could not issue a seven-year bond on these terms without the yearly redemptions, the commercial banks are indirectly underwriting the issue.

Continued on Page 20

Eurobonds, Page 44

Creusot-Loire bank backs aid refusal

BY PAUL BETTS AND DAVID HOUSEGO IN PARIS

SOCIÉTÉ GÉNÉRALE, the lead banker to Creusot-Loire, the French engineering group which is seeking court protection from its creditors, implied support yesterday for the Socialist Government's decision to refuse fresh financial aid to the large engineering company, which has sought a three month moratorium on its debts.

M Jacques Mayoux, chairman of Société Générale, said the priority for Creusot-Loire was to profitably exploit the group's industrial assets.

M Mayoux was critical of Creusot-Loire's recent restructuring attempts and said that, before pumping fresh money into the company, it was imperative to ensure that the group's industrial activities could be returned to profit.

He suggested the banks would be prepared to finance viable industrial activities but would not help the company to pay off other creditors. "The real problem is an industrial one. Financial operations alone will not solve the problem."

The Schneider group, majority shareholder in Creusot-Loire, cast doubt meanwhile on whether it will go ahead with the FFr 200m capital increase agreed to for Creusot-Loire under the rescue package signed in November.

It said that the capital increase depended on all conditions then set out for restructuring of its subsidiary being fulfilled. It doubted whether this was still possible.

Société Générale's exposure to Creusot-Loire, as well as to other large and medium-sized French companies in distress, led to a doubling of bad debt provisions on domestic loans last year to FFr 1.8bn ($218.7m). But M Mayoux declined to disclose the amount of bad debt provisions made by his bank for Creusot-Loire.

Société Générale's foreign bad debt provisions last year totalled FFr 2.2bn. Overall, provisions last year rose by 23.9 per cent to FFr 4.2bn from FFr 3.4bn in 1982. The bank's main Latin American exposure involves Mexico, Brazil and Argentina.

The bank yesterday reported net earnings of FFr 430m for 1983.

The struggle for survival, Page 18

Ford net profit up to $897m

By Terry Dodsworth in New York

FORD MOTOR of the U.S. achieved a broad based profits recovery in the first quarter of the year, as its U.S. and overseas earnings bounced back from the depressed levels of 1983.

The group's figures, after buoyant reports from both Chrysler and American Motors, underline the strength of the upturn in the U.S., where Ford's net profits jumped from last year's $111m to $683m.

The results also reflect a satisfactory performance in overseas markets, where Ford came under pressure last year, with profits increasing from $100m to $214m.

Total net profits were $897.2m, or $4.90 a share, against $211.2m, or $1.17 a share. Sales rose to $13.01bn from $10.04bn last year.

Volume sales of trucks and cars rose by 27 per cent worldwide from 1.1m units to 1.4m, propelled by a 44 per cent gain in the North American market where sales leapt from 606,000 vehicles to 817,000.

Saab-Scania results, Page 22

CONTENTS

French unemployment forecast to rise more quickly than expected

BY PAUL BETTS IN PARIS

UNEMPLOYMENT IN France will rise this year by 20,000-30,000 a month, warns the state statistics institute, Insee.

This rate of increase is far higher than recent government forecasts of about 10,000 a month. It will also make it impossible for the Government to hold the jobless figure to around 2.45m this year.

The current wave of industrial restructurings, the general softness of the labour market, and the increase in the number of people looking for their first jobs could all combine to produce a jobless total of 2.6m by the end of the year, according to M Jack Ralite, the Communist Secretary of State for Employment.

Renault, the state-owned vehicle manufacturer, yesterday announced 3,500 job losses in its Paris plants by early retirements, and another 3,325 job cuts are planned by the Normed shipbuilding group.

These announcements coincided with the visit of M Laurent Fabius, the Industry Minister, tothe depressed steel region of Lorraine yesterday. The area has been the scene of violent protests in recent weeks over the Government's tough restructuring plan for the steel industry.

M Fabius said yesterday that 4,000 jobs would be created in Lorraine, half of them in the public sector.

However, while the employment outlook is depressed, the latest Insee economic survey published yesterday paints a more encouraging picture of other key aspects of the economy.

The inflation rate is expected to be 6.5 per cent this year, the lowest since 1971, although higher than the 5 per cent official target.

Teh financial performance of French companies is also expected to continue to improve this year. Insee estimates that corporate investments will increase by 2 per cent after three years of decline.

Bank governor supports reduction in foreign debt

BY DAVID HOUSEGO IN PARIS

THE GOVERNOR of the Bank of France, M Renaud de la Genière, yesterday threw his weight behind pressure on the French Treasury for policies aimed at reducing France's foreign debt.

In a personal statement accompanying the annual report, he said that France should aim for a surplus on its current account in order to reduce the size of its foreign indebtedness. Latest figures from the Ministry of Finance put France's medium and long-term debt at the end of last year at FFr 451bn ($55bn).

Unofficial estimates are that France will continue to run a current account deficit this year of about FFr 20bn. Ministers are at odds over whether to give priority to achieving a current account surplus or to maintaining a slightly higher economic growth rate even if this means adding to France's foreign debt.

M de la Genière, who makes only rare statements of policy, says firmly that it is necessary to achieve a progressive cut in the country's indebtedness.

He also shows some unease at the still substantial growth in money supply M2 last year. He says the 10 per cent expansion in M2 remained high considering that gross national product only grew in volume terms by 1 per cent in 1983. It was thus a factor in maintaining inflation last year at a 9.6 per cent rate or 4-5 percentage points higher than that of other industrialised countries.

Moscow to revise its vision of the future

By Anthony Robinson

THE SOVIET President, Mr Konstantin Chernenko, has announced that the Communist Party is to draft a new version of its blueprint for the future. The long-term programme will be drafted by a special commission of the central committee and completed in time for the next party congress, due to take place early in 1986.

The new programme, which Mr Chernenko stressed should be "above all realistic," will replace the highly ambitious goals set out in the existing party programme drafted by Mr Nikita Khruschev in 1961 but quietly dropped following his removal from office in October 1964.

The 1961 programme promised that the Soviet Union would overtake the United States in economic terms by 1980. Like so many of Mr Khruschev's schemes. The programme was harshly criticised after his fall. But some of the key targets have actually been achieved.

The Soviet Union produces for example, far more coal and steel than the United States. Iris also, the world's largest producer of oil, and the second largest producer of gas, gold, diamonds and many other precious and semi-precious or strategic metals.

Unfortunately, the huge Soviet steel and coal production figures are no longer seen as true measures of Soviet economic strength but as indicators of the technological backwardness of the Soviet economy.

The U.S. and other Western economies moved rapidly away from such industries into electronics, chemicals, computers, bio-chemistry and other high technology sectors in which the Soviet Union lags behind.

On the key food and agricultural front, the Soviet Union, far from achieving the abundance promised in the 1961 programme, is obliged to import between 30m and 40m tons of grain and other food products from the West every year.

West German forces falter against the Pill

BY JAMES BUCHAN IN BONN

CHANCELLOR Helmut Kohl's coalition government in Bonn this week took a tentative bite at a political bullet—keeping the West German armed forces up to strength in the face of a weak birth rate.

The announcement that the Bonn Defence Ministry is reckoning on up to 15,000 women volunteer soldiers to help fill the gaps that will appear in the ranks from 1987 is causing unease not only in the Social Democrat and Green opposition but in the coalition itself.

The prospect of a drastic contraction of Nato's largest Continental force from its peacetime level of 495,000 has been on the cards since the widespread use of oral contraception brought a sharp fall in the birth rate at the end of the 1960s.

At its present strength, the Bundeswehr (army, navy and airforce) and the paramilitary services need 250,000 conscripts a year. However, the so-called *Pillenknick* (downturn caused by the Pill) means that from 1987 fewer than a quarter of a million young men will be entering their conscript year.

Unless something is done, the Bundeswehr could shrink to around 300,000 men by the 1990s, which could have decisive effects on Nato's conventional ability to withstand a Warsaw Pact attack.

Herr Hans-Dietrich Genscher, the foreign minister ever on the look-out for new themes, has let fall warnings that unless decisive action is taken the negotiations between the alliances on balancing conventional forces in Europe could degenerate into farce. The Soviet Union will just sit back and watch Nato forces shrink, the Bonn Foreign Ministry argues.

Herr Manfred Woerner, the Defence Minister, is finding the problem no less intractable than Herr Hans Apel, his Social Democrat predecessor. A major reduction in strength would increase dependence on nuclear weapons while all attempts to plug the gap will be unpopular and costly.

At present, the Dfnc Ministry is thinking in terms of a package with the first legislation to go through this year. The package will comprise most or all of the following:

- Extension of military service from 15 to 18 months
- Loosening of fitness criteria
- More attractive terms for longer-term and professional service
- Women volunteers

It is reckoned that these measures tokether should allow a Bundeswehr strength in the 1990s of more than 400,000.

Herr Peter Kurt Wuerzbach, state secretary at the Defence Ministry, said earlier this week that the first 1,000-1,500 women volunteers could begin service next year in support roles.

However, the authors of the West German constitution, with bad memories of the total mobilisation at the end of World War II, state categorically that women "may not render service involving the use of arms." The opposition *is already arguing that in* modern warfare the distinction between combatants and support groups may be impossible to maintain.

IG Druck calls another round of print strikes

By Rupert Cornwell in Bonn

IG DRUCK, the West German print union in the forefront of the campaign for a 35-hour-week, yesterday organised a new wave of "warning" strikes which will seriously interfere with newspaper production, particularly in West Berlin.

At the same time, the union grudgingly agreed to a further round of talks with employers on May 2, but made clear that, in its view, these offered little chance of progress towards agreement on a new wage deal.

According to IG Druck yesterday, some 8,500 of its total 165,000 membership took part in the stoppages which means that papers in Berlin, as well as in several other parts of *the country will appear today* at best in an extremely reduced form.

Print industry employers are still showing little sign of resorting to retaliatory lockouts. But they angrily claimed again yesterday that IG Druck had called strikes even when it had not secured the required 75 per cent approval of the workforce.

Management has also reacted with comparative equanimity to the strike ballots, involving some 800,000 engineering workers, which the militant IG Metall union is organising between May 3 and 9.

This is despite the fact that the carefully chosen targets include the major car companies

New line on Italian pay decree

BY JAMES BUXTON IN ROME

THE ITALIAN Communist Party is unlikely to use the same obstructive parliamentary *tactics, which prevented ap*proval of the Government's decree cutting wage indexation, against its slightly-amended successor. This was stated yesterday by Sig Giorgio Napolitano, the party's leader in the Chamber of Deputies.

But the party will seek to change the new decree, introduced just before Easter, in order to protect the position of the workers whom it affects, he said in an interview with the Communist Party newspaper, L'Unita.

The first decree, under which the Government of Sig Bettino Craxi limited by about one-third the *amount of protection* against inflation given by the *Scala Mobile* wage-indexation system, was not converted into law because it did not receive final approval in the Chamber of Deputies before its 60-day life expired.

This was due mainly to exceptionally obstructive procedures by Communist MPs.

The new decree should have much thesame economic effect as its predecessor, but will be in force for six months instead of a year and includes other concessions.

Sig Napolitano said that the party's attitude to the new degree was different because of the success it had achieved against the first. "We will take that into account. It *would be absurd not to,*" he said.

But the party would try to amend the central part of the decree, restricting indexation, and would seek *compensation* in 1985 foar *Scala Mobile* payments lost in 1984.

Even though the Communist opposition should be slightly milder this time, the decree still foces serious obstacles between now and June 16 when it, too, will expire if not approved.

Because of mismanagement by the parties of the ruling coalition, the Communist opposition has been able to require that the decree be submitted for approval to three rather than just one parliamentary committee, which will take up further time.

Danish exports set for growth

BY OUR COPENHAGEN CORRESPONDENT

CONTINUED SOLID growth in Denmark's indsutrial exports, combined with fast falling inflation over the next two years, is forecast in the half yearly report of the Danish Government's Economic Secretariat.

Industrial exports, which rose by 6 per cent last year, should increase by another 7 per cent this year if the West's slow economic recovery continues.

The inflation rate of 7 per cent in 1983 is expected to fall steadily from an estimated 5.75 per cent this year to 3.5 per cent in 1985. Unemployment is likely to drop only slightly, from 10.7 per cent last year to 10.25 per cent this year and 10 per cent in 1985.

The Secretariat foresees the balance of payments deficit deteriorating from DKr 10.85bn (£783m) in 1983 to DKr 12.3bn (£888m) this year, falling again to around DKr 10.8bn by the following year. The budget deficit, reduced last year for the first time in 10 years to DKr 55bn, is forecast to fall to DKr 50bn this year and to DKr 45bn by next year.

Mr Anders Andersen, the Economy Minister, said that the forecasts for 1985 assumed that forthcoming collective bargaining negotiations for next year kept annual pay increases at a maximum of 3.5 per cent.

The report has taken into consideration the anticipated effects of the latest package of austerity measures announced by the Government on Wednesday. Those call for DKr 1.5bn cuts in public expenditure this year and DKr 4bn in 1985.

Poles urged to emulate German links

By Christopher Bobinski in Warsaw

POLAND'S GOVERNMENT was accused yesterday of doing little *to foster* relations with Poles living abroad. Mr Edmund Osmanczyk, an independent member of Parliament, quoted by way of contrast the improved relations between the two German states.

"I watch with envy how consistently the two German societies, with their differing systems, are working to build bridges—even now when their territory has been turned into a firing range for SS20s and Pershing missiles," he said.

Mr Osmanczyk accused the state-controlled mass media of "remaining silent about Poles in various parts of the world," a reference to those *still living* in the Soviet Union, and "attacking those who live in the West."

Ruiz Mateos retained

A Frankfurt court confirmed yesterday that the fugitive Spanish financier, Sr Jose Maria Ruiz Mateos, will be held in custody awaiting extradition papers from the Spanish authorities, Reuter reports.

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Electors prepare homage and abuse in Catalonia

David White reports from Barcelona on a two-sided campaign for Sunday's regional election

THE TWO sides in Sunday's election in Catalonia stand opposite each other on the Placa de Sant Jaume in Barcelona's Gothic quarter. On one side is the Generalitat, the autonomous regional government, run by the conservative Catalanist party Convergència I Unio. On the other side is the Socialist-held town hall.

The square in between has become a Catalan version of London's Speaker's Corner, where everybody seems to demonstrate. Protests are directed to one side or other of the square, depending on the cause. Around the corner, a shopkeeper demonstrates Catalan business initiative by doing a roaring trade in plastic whistles and trumpets for the demonstrators.

Tossing charges of irregularities back and forth, Convergencia and the Socialists have dominated the three-week campaign for the region's parliament. They can safely be expected to take most of the seats.

The remainder are being fought for by the right-wing Popular Alliance, attempting an American-style campaign to rake in former centrist voters, the weakened Catalan branch of the Communist Party—the PSUC — and the veteran Esquerra Republicana, the main force behind the home rule statute which Catalonia enjoyed between 1932 and 1939, but now only a shadow of its former influence.

A dozen other parties ranging from Greens to varying hues of extreme Left complete the field.

A particular flavour is given to the campaign by the fact that, in contrast to normal commercial advertising, which is in Spanish, the election posters are mostly in Catalan.

Catalonia, with its six million people, got its parliament four years ago under a self-government statute granted at the same time as the Basque country's. Surprisingly, in view of Barcelona's left-wing tradition, Convergencia came out ahead of the Socialists and formed a fragile minority government.

With the Socialists now in power in Madrid, pre-ballot polls show Convergencia turning the tables again and keeping its lead in the 135-seat parliament.

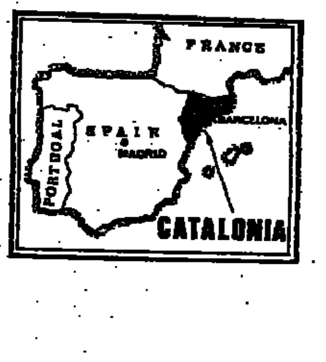
At the centre of the confrontation is the chubby figure of Sr Jordi Pujol, 53-year-old president of the Generalitat and founder of the original Convergencia, which, merged with an older Christian Democrat party, now covers a broad spectrum from left-of-centre to the right.

The election is really between *pujolismo* and *anti-pujolismo*. Sr Pujol, politically active since his teens and jailed under Franco for singing a patriotic song, has a messianic side, resented by the Socialists, who challenge his claim to personify Catalan interests.

When Sr Pujol speaks of "this country," he means Catalonia. Fluent in English, French or German, he has carried out a prestige campaign for the region outside Spain, emphasising its "European" outlook. He takes pride in its climate of stability and tolerance.

Compared to the Basques, whose brand of nationalism is less moderate and more exclusive, the Catalans have had a smooth return to autonomy. The Basque country has obtained more financial independence, but Catalonia has moved further in some areas.

Language is one. All schoolchildren now learn Catalan, and Sr Pujol sees the day in 15 or 20 years' time when everybody over 40 will know both that and Spanish well. On the region's new TV3 channel, viewers can follow "Dallas" dubbed into Catalan.



● Sr Jordi Pujol (right): Proud of Catalonia's political stability

In other fields, Sr Pujol says his administration has brought major improvements in infrastructure and social welfare and has helped to steer struggling local industries towards foreign markets. But it has been hampered by a "regressive tendency" in Madrid over regional self-government and has still not received all the powers provided for under the autonomy statute.

Now that 15 other autonomous regions have been set up in the rest of Spain, Sr Pujol says the Socialist government does not know what to do next with the devolution process.

Catalans argue it is not their fault if the rest of the regional autonomy structure has so far proved clumsy and expensive.

Defending the Socialist line is Sr Raimon Obiols, a 44-year-old Barcelona geologist. Originally a left-winger, now cast in a tamer role, he has to fight against the idea of being a second-best candidate. Other Catalan Socialists such as Sr Narcis Serra, former Mayor of Barcelona and now Defence Minister, have more standing in the region, but local party leaders contend that Sr Obiols is better placed for not being directly involved in the central government.

The region's socialists are a peculiar mix. The leadership is drawn mainly from the Catalan intelligentsia (Sr Obiols' father was a prominent artist), while the electorate is made up mostly of non-Catalan-origin workers, who streamed in during the prosperous 1960s and now make up two-fifths of the population.

The party accuses Sr Pujol of being divisive and aiming his policies at the Catalan-origin majority.

Relations across the square have been difficult. The new mayor, Sr Pasqual Maragall, complains about the Generalitat's over-assertiveness. As an institution, the Generalitat dates back over 600 years, but it has had long absences.

Sr Maragall says it lacks able administrators, wants to buy up everything, is duplicating facilities already in existence, is too concerned with show, for instance ordering helicopters instead of fire engines, and is imposing "a bit too much official culture."

The Socialists also criticise the Catalan government's response to the economic crisis, which has brought a faster rise in unemployment here than in the rest of Spain, and are proposing a tripartite pact with industry and unions.

Sr Pujol has had to extricate himself from a controversy surrounding the collapse of Banca Catalana, an industrial banking venture he promoted.

But voter turnout is expected to be on his side, this election being of more evident concern to his supporters than to the Socialists'. Polls show the Socialists falling well below their 1982 general election score of 45 per cent, and Convergencia beating its previous 30 per cent record.

The question is whether Convergencia can now form a majority government with Esquerra, on which it has been relying for support in the parliament, or whether it will be forced into an alliance with one of the main Spanish parties.

Sr Maragall believes a pact between the Socialists and Convergencia could eventually emerge—although not in the short term. This would be an important precedent at the national level.

The election result will also have an important bearing on the future of the "reformist" project being mounted nationally by Sr Miquel Roca, Convergencia's spokesman in the Madrid parliament and effective party leader. Existing so far only on paper, this plan seems to be aimed at forming a "hinge" political force like the West German Free Democrats. After the disappearance of the former Spanish government party, the UCD, a year ago, the fight for the centre ground in Spanish politics begins in Catalonia on Sunday.

Yugoslavs rush to beat end of price controls

BY ALEKSANDAR LEBL IN BELGRADE AND DAVID BUCHAN IN LONDON

YUGOSLAVS ARE rushing to the shops this week in order to beat the massive price increases that are expected after the Government lifts its price freeze in three days time.

The lifting of price controls comes two months earlier than the government of Mrs Milka Planinc originally planned and is at the insistence of the International Monetary Fund, which this week gave final approval to a new $400m loan to Yugoslavia.

A fresh wave of inflation is expected, as some producers have already announced price increases of more than 100 per cent. This will give a further boost to inflation which this spring barely slowed from a 58 per cent annual rate last year.

The IMF, however, argued that administrative controls did not attack the root causes of Yugoslav inflation — lack of competition in the fragmented domestic market—and distorted relative efficiencies and inefficiencies in the economy.

The prices move comes at an awkward moment for the Government, which is on the verge of mid-term ministerial changes. Halfway through her four-year term, Mrs Planinc is losing her Foreign Minister, Mr Lazar Mojsov, and Interior Minister, Mr Stane Dolanc, who are due to join Yugoslavia's collective presidency in mid-May. They are to be replaced respectively by Mr Raif Dizdarevic and Mr Dobroslav Culafic.

Of more importance to Yugoslavia's internal and external management is the retirement from government of Mr Zvone Dragan, the extremely capable Vice Premier in charge of the economy, and Mr Janko Smole, who for the past two years has conducted debt negotiations with Western banks. Mr Dragan's job is to be filled by Mr Borislav Srebic, another Vice Premier, while Mr Smole's debt negotiating role is to be shared among other cabinet members.

From next week, the prices of some 55 per cent of all goods and services will be decontrolled. The Government will retain direct control over the prices of a few key commodities, while some other goods and services will be subject to regulation by agreement between wholesaler and retailer.

Roof falls on Iron Bella's Black Sea gold mine

BY ANTHONY ROBINSON

"IRON BELLA" Borodkina made a fortune of at least Roubles 560,000 (nearly £500,000) in the 10 years she ran the state-owned restaurants in the select, Soviet Black Sea resort of Gelendzhik. Now she faces the firing squad after being found guilty of bribe-taking and embezzlement, according to the Moscow newspaper, Sovietskaya Rossin.

If the sentence is carried out she will be the first woman victim of the police campaign, begun more than a year ago on the orders of the late President Yuri Andropov, to stamp out rampant crime and corruption.

Black sea resorts with their mild climate, good food and wines, and southern traditions of hospitality have long been the favoured watering holes of the Soviet elite, with their often palatial villas, servants and modern imported luxuries.

Iron Bella, as she was nicknamed locally, catered to their tastes. She entertained local and national party bosses, and their underworld contacts, and laid on sumptous meals.

The conspicuous consumption and abuse of office, which has always been a feature of the lifestyle of parts of the Soviet elite, assumed growing proportions in the last years of former President Leonid Brezhnev — until the war on corruption declared by Mr Andropov made it a key element in the inner party power struggle.

Since Mr Andropov's death and the elevation of Mr Konstantin Chernenko, however, several of the highly placed victims of the Andropov purges, like Mr Mikhail Shcholokov, the former Interior Minister, have been quietly released from prison and restored to their privileges.

Chemical arms proposals condemned by Moscow

GENEVA—The Soviet Union said yesterday that the United States' proposed treaty outlawing chemical weapons was not only unacceptable but would "set negotiations on a chemical weapons ban back by many years."

Mr Viktor Issraelyan, the chief Soviet delegate, told the 40-nation Geneva Disarmament Conference that the U.S. draft, tabled here last week by Vice-President George Bush, was aimed not at attaining agreement but at permitting the U.S. Defence Department to implement a $10bn chemical rearmament programme.

"Putting forward demands for unimpeded access to the territory of other states continues to block the achievement of agreements on a chemical weapons ban," he said.

"Why was it necessary for the United States to put forward such a proposal deliberately unacceptable to the Soviet Union and many other states?" asked Mr Issraelyan.

"We are deeply convinced it was done merely to try to cover by the big noise of publicity around the American draft what the American Administration is really engaging in—intensive preparations to implement a $10bn chemical rearmament programme proclaimed by President Reagan."

Reuter

New Lebanese PM asked to form national government

BY NORA BOUSTANY IN BEIRUT

LEBANESE President Amin Gemayel yesterday appointed Mr Rashid Karami, a Sunni Moslem, as Prime Minister and asked him to form a national union government which will have the arduous task of steering Lebanon out of its crisis and carry out political reforms.

Mr Karami, 62, a veteran Lebanese political figure, accepted the post and thanked President Gemayel. Hardline Christian leaders such as Mr Camille Chamoun, 84, head of the Lebanese Front, a Christian Alliance, have expressed reservations on the selection of Mr Karami. The hawkish Lebanese Forces, representing all Christian militias, last week rejected Mr Gemayel's choice, objecting that it is bowing to Syrian pressure.

Mr Karami will begin consultations today in order to make the cabinet as representative as possible. A pro-Syrian, Mr Karami last week held a lengthy meeting with Mr Hafez Assad, the Syrian president.

Mr Karami was a leading member in the now defunct Syrian - backed opposition National Salvation Front. It grouped Druze chief Mr Walid Jumblatt, former Lebanese President Mr Suleiman Franjieh, a Christian Maronite, and several Lebanese leftist figures.

The premier-designate will become Lebanon's Prime Minister for the tenth time since 1955. He comes from a wealthy Sunni family from the northern town of Tripoli. He served as head of the government in 1969, when Lebanon signed the Cairo agreement, which allowed Palestinian guerrillas to carry weapons in self-defence and which regulated their presence here. He held the same post during the 1975-76 civil war.

Hope of dialogue fades as Punjab death toll mounts

BY JOHN ELLIOTT IN AMRITSAR

THREE more people were killed in the Punjab yesterday in two separate clashes, bringing to 181 the total number of deaths in the state since the Indian Government declared presidential rule from New Delhi nearly six months ago.

Sikh terrorists also exploded a series of bombs on railway tracks, derailing a petrol train and disrupting railway services at three points in the Ferozepur district of the Punjab near the Pakistan border, one of the main trouble spots.

Two Sikhs were killed in an exchange of fire with the Border Security Force paramilitary troops after street clashes during which railway property was damaged.

These killings are likely to inflame relations further between central government and Sikh leaders. After six Sikhs travelling on top of a bus were killed earlier this week, moderate Sikh leaders made it clear that such developments made it virtually impossible to move towards talks with the Government on their basic religious, regional and economic demands.

"These killings have encouraged the Sikhs to kill more because they proved that the Government wants to eliminate Sikhs," said Sant Harchand Singh Longowal, President of the Akali Dal, the Sikhs' main political party.

Responding to claims earlier this week by the Indian Home Ministry that it would take up to two months to deal with the 400-500 hard core of Sikh terrorists, Sant Longowal said: "The whole Sikh nation is the hard core. The Government is compelling the Sikhs to take a hard path."

Sant Longowal is thought to want to strike a deal with the Government but he is squeezed between this wish and pressures from Sikh militants led by Sant Jarnail Singh Bhindrawala.

Today, Sant Longowal has summoned a meeting of Sikh leaders here to decide on future strategy. Yesterday he suffered a setback when Sant Bhindrawala rejected a report from a committee of Sikh leaders aimed at defusing tension in the Punjab

Wellington offers China Antarctic research site

By Dai Hayward in Wellington

NEW ZEALAND has offered China a site for a permanent research base in the Antartic. China has been given the choice of seven locations in the Ross sea area which comes under New Zealand's control. The offer was first made through diplomatic channels some months ago and was discussed in greater detail during a recent visit to Peking by Doctor Shearer, New Zealand Minister of Science.

Doctor Shearer believes New Zealand has stolen a march on some other countries by offering specific locations and a detailed proposal for a permanent base in the Antarctic. New Zealand and China would co-operate on a research programme.

If China takes up the offer, New Zealand hopes to obtain access to a Chinese research ship for work in the Antarctic. New Zealand, which has had a land research base at Scott base for many years, has been hampered in its research programme by the lack of suitable vessel.

Angolan hostages freed

The Angolan guerrilla movement, Unita, yesterday released 90 hostages who have been held in southern Angola but 16 British nationals are still held captive, our Johannesburg correspondent reports.

The hostages, some of whom had been been in rebel hands for nearly six months, were flown from southern Angola to Johannesburg

Pretoria to enforce pact

South Africa would implement the terms of its non-aggression pact with Mozambique "to the letter," the South African Prime Minister P. W. Botha, said yesterday.

Speaking in Parliament, Mr Botha said he had told Mozambique President Samora Machel that he would encourage South African investment in the country.

Dock strike ends

TOKYO — Dockworkers at Japan's 10 major ports called off their strike after labour and management reached agreement on wage and job security disputes.

ADB accused of excessive interest rates

BY PETER MONTAGNON IN AMSTERDAM

THE ASIAN Development Bank was accused by several of its developing country members yesterday of charging excessive interest rates on its loans while offering inadequate opportunities to supply local material for regional development projects.

Among the most vociferous critics at the annual meeting here was Mr Sommai Hoontrakool, Thailand's Finance Minister. He told the meeting that since the bank was founded only 11 per cent of the $4.4bn (£3.14bn) worth of contracts awarded for ADB projects financed by its ordinary capital resources had gone to developing countries.

"The statistics lead us to the conclusion that our bank is simply a multilateral export bank for its developed member countries," he said.

The bank should also consider cutting its leading rate of 10.5 per cent, he said. This could be done without compromising its reputation for conservative financial management. His remarks were echoed by Mr P. J. Kaul, governor for India, who said the rate "was effectively comparable with the rates of interest on commercial borrowings."

Mr David Mulford, Assistant Secretary of the U.S. Treasury, told the meeting the bank should contemplate the introduction of a variable lending rate which would minimise its exposure to interest rate swings. But he added that it should not go all out for growth in its lending operations. "Effectiveness (of the bank's projects) should not be confused with attaining some arbitrarily pre-set lending objective."

Meanwhile India, which has applied to borrow from the bank for the first time, seems likely to receive less than the $2bn in loans it is seeking over a space of five years. A behind-the-scenes consensus has emerged here that India should be allowed to borrow a smaller amount, though details will be decided later this year.

Speakers at yesterday's session barely touched on the other major issue facing the bank — China's application for membership.

South Korean loans, Page 24

Aid loss 'will ruin' weak African states

BY ANDREW GOWERS

AFRICAN countries are worried by what they see as the West's growing reliance on the private sector to provide development assistance, and the corresponding decline in grant aid, according to the Arab Bank for Economic Development in Africa (Badea).

The Khartoum-based bank, through which members of the Arab League provide soft loans and technical assistance to non-Arab Africa, says in its annual report: "To . . . allow the initiative for the provision of vital funds to pass to commercial sources and at the same time to reduce the means at the disposal of soft-loan organisations such as the IDA (International Development Association) will lead to ruin for the weak and fragile economies of the poorest countries in a fairly short space of time."

Western countries are currently deadlocked over their contributions to the IDA, the World Bank's soft loans, over the next three years. Original plans to give the IDA resources of $12bn (£8.6bn) in this period have been downgraded to $9bn at the insistence of the U.S.

Badea is not particularly enthusiastic, either, about the present trend towards cofinancing of aid between public bodies such as the World Bank and private lenders. It agrees that cofinancing can strengthen and multiply capital investment flows, but warns that it can also have the effect of cutting the poorest countries off from aid altogether.

The report paints an exceptionally gloomy picture of Africa's economic plight and prospects. The total current account deficit of sub-Saharan Africa was at least $12bn in 1983, while outstanding foreign debt had climbed to $93bn the previous year.

Philippine plan to reduce deficit

By Peter Montagnon, in Amsterdam

THE PHILIPPINES is to reduce its current account balance of payments deficit to less than 5 per cent of gross domestic product this year from 8 per cent in 1983 as part of its International Monetary Fund adjustment programme.

This was stated here yesterday by Mr Cesar Virata, Prime Minister and Finance Minister of the Philippines, who told the Asian Development Bank annual meeting that the Philippines had now agreed the broad outline of an IMF programme capable of "restoring our economy

Howe calls on Japan to act on imports

BY JUREK MARTIN, FAR EAST EDITOR, IN TOKYO

SIR GEOFFREY HOWE, the British Foreign Secretary, yesterday suggested that the biggest contribution Japan could make to ease trade tensions was for the whole nation to become more import conscious.

In a speech to the Japan Press Club, delivered shortly before a meeting with Mr Yasuhiro Nakasone, the Prime Minister, Sir Geoffrey maintained that Japan and other nations needed to take "more urgent action in the months ahead" if the forces of protectionism were to be thwarted.

Speaking on the eve of an announcement of another Japanese trade and financial liberalisation package, he noted that previous market-opening measures had had little impact on Japan's swelling trade surplus, which could well approach $40bn (£28.5bn) this year.

He also said that, although another Gatt round, as endorsed by the Nakasone Government could be important, "we must not allow that prospect to obscure the need" for unilateral Japanese measures.

As expected, Sir Geoffrey called for moves "to promote a more realistic value for the yen," and to encourage its wider use. "Each in their turn, the pound, the dollar, and the deutschmark has helped to fertilise world trade," he said. "It is time for the yen to take its rightful place in that company."

The pressure for financial reform has largely been taken over by the U.S. and Sir Geoffrey devoted more of his public comments to pressing the case for better trade and investment flows. He suggested that a combination of a more import-conscious Japan and a revived British car industry (he cited Jaguar's recent recovery) could even lead to more British vehicles on the Japanese roads, and thus some small rectification of the huge imbalance in bilateral car trade.

The trade and financial liberalisation package, due to be approved by the Japanese Cabinet today, will be Japan's fifth in the last three years and promises to contain few surprises.

Principal elements include several policy decisions Japan has already taken (the beef and oranges settlement with the U.S., for example); is in the process of enacting (financial reform, telecommunications privatisation, liberalising tobacco imports); or has said it will continue to study without prejudice to the outcome (software legislation, allowing foreign lawyers to practise more freely, satellite procurement).

The package is likely to feature as many as 60 to 70 outright tariff cuts, which were still being worked on last night, and a further advanced implementation of tariff reductions aheard of the schedule agreed in the last Tokyo round of multilateral trade negotiations.

European nations, who have been pressing for lower duties on wine, as well as more than 120 other products, are likely to be only partially satisfied.

The Japanese Government will attach considerable significance to a variety of technically complex commitments further to align Japanese practices with foreign standards and certification systems along the lines of previous packages.

Mr Nakasone is also expected once again to promise that Japan will try to become more import conscious, while specific proposals, most of them procedural, to advance foreign investment in Japan are also on the cards.

Australian unions push for pension programme

By Colin Chapman in Sydney

AUSTRALIAN trades unions have turned their attention to a new target—a national superannuation scheme—now that wages are indexed to the cost of living.

They may not have long to wait. The Federal Government has received a detailed costing of the project, and the Cabinet will shortly consider the framework of a scheme which may be introduced as early as July next year based on a contributory fund expected to have reserves of A$2bn (£1.3bn) by the year 2000.

One proposal is for a contribution rate of 21.6 per cent of earnings shared by employers, employees and the state, giving pensions of just over one-fifth of earnings immediately.

The project is, however, fraught with difficulty. The employers believe the scheme will add enormously to their costs, as well as penalising those companies that already have good superannuation plans.

Another problem was raised recently by Mr John Ford, the Government's actuary, who told a Senate committee that a national scheme would generate hundreds of billions of dollars of additional investment funds, overpowering other investment institutions in Australia.

The Federal Government believes that deregulation of the financial sector will open many more investment opportunities to superannuation funds, and points to the wide level of foreign ownership in Australia, particularly of long-term resources projects. The North-West Shelf liquid national gas scheme, for instance, has had to proceed under breach of foreign investment guidelines because there has not been enough local capital investment.

One of the main Cabinet supporters of the scheme, Mr Chris Hurford, the Minister for Housing, believes it possible the Australian Council of Trade Unions will be prepared to trade off a wage rise for employer contributions to the scheme. He favours the continuation of the present old age pension—paid for out of taxation—with a supplementary contributory pension which would allow wage earners a sum equivalent to 10 per cent of their lifetime weekly earnings updated by the cost of living index.

Brazil election plan narrowly defeated after long debate

BY ANDREW WHITLEY IN BRASILIA

THE BRAZILIAN opposition's constitutional amendment to restore direct presidential elections was narrowly defeated in Congress in the early hours of yesterday morning. But the organisers of the national campaign to end military rule are vowing to fight on.

After a 17 hour, often angry, debate, the opposition Bill failed by just 22 votes to get the necessary two-thirds majority in the 479-member Chamber of Deputies, the low house. A block of 55 Government party deputies defected, but it was insufficient to win what would have been an historic victory.

The Bill went down amid scenes of considerable emotion in Congress. Many people were openly crying. From the packed public galleries, chants of "the struggle goes on" and "the people in the street will overcome the dictatorship" resounded.

The Figueiredo Government now nervously awaits to see how vehemently Brazil's big cities—the scenes of daily major demonstrations in favour of direct elections—will react. If serious disturbances erupt, one possibility is the extension of the emergency powers covering Brasilia and its surrounding region to other cities.

Yesterday, opposition party and trades union leaders were meeting to discuss their next steps. In Congress, this is likely to take the form of a sub-amendment attached to the Government's own Bill on direct elections, proposed for 1988.

The Figueiredo Bill is currently at the committee stage of its passage through Congress and could come to a full debate and vote next month. The opposition strategy would be to amend it so as to call, once again, for direct elections this year.

Attention in the coming weeks is, therefore, certain to remain focused on the battle for the loyalties of the officially created Partido Democratico Social (PDS), which is badly split into several warring factions.

In the immediate aftermath of yesterday's Congressional vote, calls were made by some opposition members for a general strike, a step deliberately avoided until now so as not to give the military a pretext for drastic action.

CIA chief 'apologises' after outcry on mining

BY REGINALD DALE

MR WILLIAM CASEY, President Reagan's controversial director of the Central Intelligence Agency, is making a concerted effort to mend fences with an angry Congress, following the outcry on Capitol Hill over U.S. involvement in the mining of Nicaragua's harbours.

In a series of meetings with members of the Senate Intelligence Committee over the past two days, Mr Casey has conceded that his cursory and belated briefing of the committee on the mining was unsatisfactory and that future briefing procedures should be improved.

Mr Casey was due to attend a closed session of the committee later yesterday, at which both he and a number of committee members hoped to bury the hatchet. Democratic Senator Daniel Patrick Moynihan of New York nevertheless went ahead on Wednesday with his previously announced intention of resigning as the committee's vice-chairman in protest at what he called Mr Casey's failure to inform the committee fully about the mining.

Aides to Mr Moynihan said that Mr Casey had "come as close to an apology as could be expected" and had pressed the senator to continue his past support for U.S. covert aid to the right-wing "Contra" rebels in Nicaragua. The impact of Mr Moynihan's gesture has been reduced by a fairly widespread feeling in Washington that he himself should have pressed Mr Casey more strongly.

Mondale responds to attacks on fund-raising

By Reginald Dale, U.S. Editor in Washington

FORMER Vice President Walter Mondale has found himself obliged to respond to attacks on his presidential campaign's financing methods by instructing his supporters to disband controversial "delegate committees" that have been raising funds on his behalf.

Mr Mondale's defensive move came as Senator Gary Hart, his main rival for this year's Democratic presidential candidacy, followed up a win in Tuesday's Vermont caucuses with a 48 to 20 per cent victory over Mr Mondale in Conservative Utah.

The consensus among Democratic party officials and strategists, however, was that neither apparent setback for Mr Mondale should be taken too seriously, and that he might even wrap up his bid for the nomination in the coming two weeks.

Sources close to Mr Hart said that some of his top advisers were now urging the Colorado senator to pin his hopes on a "two-week strategy," in which he would make a final bid to revive his flagging candidacy in forthcoming votes in Tennessee, Texas, Ohio, Indiana, Maryland and North Carolina, which will be concluded by May 8.

If he failed to win at least three or four victories in those states, Hart strategists said, he would then have to end his increasingly tough attacks on Mr Mondale and tacitly concede defeat.

Hardliners in the Hart camp, however, were believed to be arguing that their candidate should maintain his unrelenting attacks on Mr Mondale until the primaries are concluded on June 5. They are still hoping that a strong showing by Mr Hart at the very end of the race might generate enough momentum to upset Mr Mondale on the floor of July's national convention in San Francisco.

Mr Mondale asked his delegate committees to close down after both Mr Hart and the Rev Jesse Jackson, the third-running candidate had threatened to turn their fund-raising activities into a major campaign issue. Both candidates have attacked the supposedly independent committees for engaging in questionable, if not illegal electoral practices on Mr Mondale's behalf.

IMF-style austerity spells trouble for region's governments, says Canute James

Political storm clouds in the Caribbean sky

THIS WEEK'S riots in the Dominican Republic, sparked by economic policies designed to fulfil the terms of an International Monetary Fund loan, will force several neighbouring governments to think more than twice about their relations with the Fund.

Yet, given the parlous state of their economies, some governments, such as those of Jamaica and Guyana, appear to have little option but to turn to the IMF if they are to get any short term economic relief.

The prospect of running battles, in the street over food prices, however, could embolden the region's recipients of credits from the Fund to ask for some stay in executing unpopular economic changes.

Like the Dominican Republic, most Caribbean countries are facing chronic shortages of hard currency because of falling earnings from a narrow range of raw material and commodity exports. National coffers are empty because earnings from sugar, bananas, bauxite and tourism have slowed to a trickle.

This week's flare-up in the Dominican Republic is the second in as many months. Some governments in the region which might see a warning in the carnage and destruction in Santo Domingo, are pressed for time to consider whether to accept an IMF programme.

"The policies of the international institutions need to be reviewed in terms of whether they will continue to be cast in concrete or whether they will have more flexibility," said Mr Edward Seaga, the Prime Minister of Jamaica, whose administration has had three years of contentious dealings with the IMF. "I refer in particular to the IMF and the World Bank."

The dilemma faced by President Salvador Jorge Blanco of the Dominican Republic starkly illustrates the deep-seated concerns of several regional governments.

The Fund is willing to give the country credits of $466m, but the Dominican Government has been wary of the political consequences of acceptance.

The IMF was asking that payment for all imports, including oil, representing a total of $800m, be moved from the peso's official rate of exchange, which is at par with the dollar, to the lower "parallel" rate of three pesos to the dollar.

This would constitute a *de facto* devaluation. But President Blanco is on record as saying that he will not devalue the peso. In fact, he did make a concession to the IMF by agreeing to move all imports except for oil, worth about $350m, to the parallel rate, thus sharply driving up prices.

Police move in on a protester during riots in Santo Domingo

Cash from the IMF is not all the country needs. Creditor banks which are willing to grant new loans of $800m to help the Government continue servicing its $2.6bn foreign debt, are unwilling to give the green light until the IMF's "seal of approval" in the form of an economic policy agreement is in place.

Behind the Dominican administration's reluctance there are also political calculations. Jockeying for position for the 1986 presidential elections has started, and there has been growing concern within the ruling Partico Revolucionario Dominicano at the likely effect on its candidate of unpopular economic measures.

No Caribbean leader is likely to be more concerned at the developments in the Dominican Republic than Mr Seaga in neighbouring Jamaica. The Prime Minister's criticism of the IMF's "inflexibility" came amid efforts to agree conditions for a $180m standby credit package which was expected before Christmas, and it indicated growing disillusionment.

Three years ago Mr Seaga saw the IMF as a fundamental part of the island's financial future. He apparently still does, given Jamaica's hunger for hard currency.

But the 82 per cent cumulative devaluation of the Jamaican dollar since November, and an agreement with the IMF to cut the budget deficit from 15 per cent of GDP to a single digit figure at one go, are sure to be unpopular. Jamaica's parallel exchange rate was done away with and the currency unified in November, to pave the way for negotiations with the IMF.

While he contemplates the travails of President Blanco, Mr Seaga must recall that it was the implementation of the IMF conditions in the late 1970s which eroded the popularity of Mr Michael Manley, his predecessor, forcing a general election which brought Mr Seaga the Prime-Ministership.

As in the Dominican Republic, too, Jamaica's creditor-banks have agreed in principle to reschedule a part of the foreign debt, but are keen first on seeing an agreement with the IMF.

In Guyana, President Forbes Burnham is likely to regard the Dominican Republic's problems as vindicating his bold stand against the IMF.

In seeking loans of $250m, Mr Burnham last year rejected IMF proposals for a substantial devaluation, and a cut in the budget deficit by the removal of subsidies on staples such as rice and sugar.

Mr Burnham indicated some move towards meeting IMF suggestions by devaluing the Guyanese dollar by 20 per cent earlier this year. But while the official rate of exchange is G$3.75 to the U.S. dollar, the black market rate is G$15 to the dollar.

The Government is hoping that international creditors will reschedule payments on the country's US$1.3bn foreign debt. But the creditors, like those of the Dominican Republic and Jamaica, will want a pact with the IMF first.

Ironically, the disturbances in the Dominican Republic came only a few days after the Government of Barbados publicly boasted of an impressive achievement. The island's economy met the final performance criteria and had completed an IMF programme, agreed in 1982, and qualified for $35m in credits.

Barbados had a head start, according to Government officials, in approaching the Fund when the first signs of trouble appeared. But certainly for the Dominican Republic, and perhaps for Jamaica and Guyana, too, it may be just a bit too late.

Santo Domingo remains tense

SANTO DOMINGO — Food-price riots flared again in the Dominican republic as President Salvador Jorge Blanco vowed to continue in office, after a series of violent clashes in which nearly 50 people have been killed.

In a special address to the nation, Sr Blanco made no mention of steep increases in food prices which sparked off the riots four days ago and said the armed forces would suppress disturbances "at all costs."

Among the first to criticise the speech was Dominican Communist Party (PCD) spokesman Sr Narciso Isa Conde who said street violence would be stepped up in an effort to force the Government to repeal the price rises.

A week ago, the price of basic foodstuffs was raised by up to 50 per cent as part of a series of austerity measures designed to comply with the terms of a $450m loan from the International Monetary Fund.

Since then, 52 people have died, more than 100 injured, and some 4,000 have been arrested in the worst civil disturbances to hit this Caribbean nation in the last 20 years.

Local media reported that sporadic rioting had broken out again in the capital after the speech. Other eyewitnesses reported a tense calm with soldiers and armoured personnel carriers patrolling the streets.

Balaguer, president from 1966 to 1978, is now leader of the opposition rightist reformist party.

Sr Blanco stressed he would remain in office for his full four-year term, ending in August 1986, and praised the security forces.

Some 7,000 troops and police have been deployed in the streets of the capital, using the city's main football stadium as their headquarters, witnesses reported. They said prisoners were being held in army lorries because the jails were full.

Reuter

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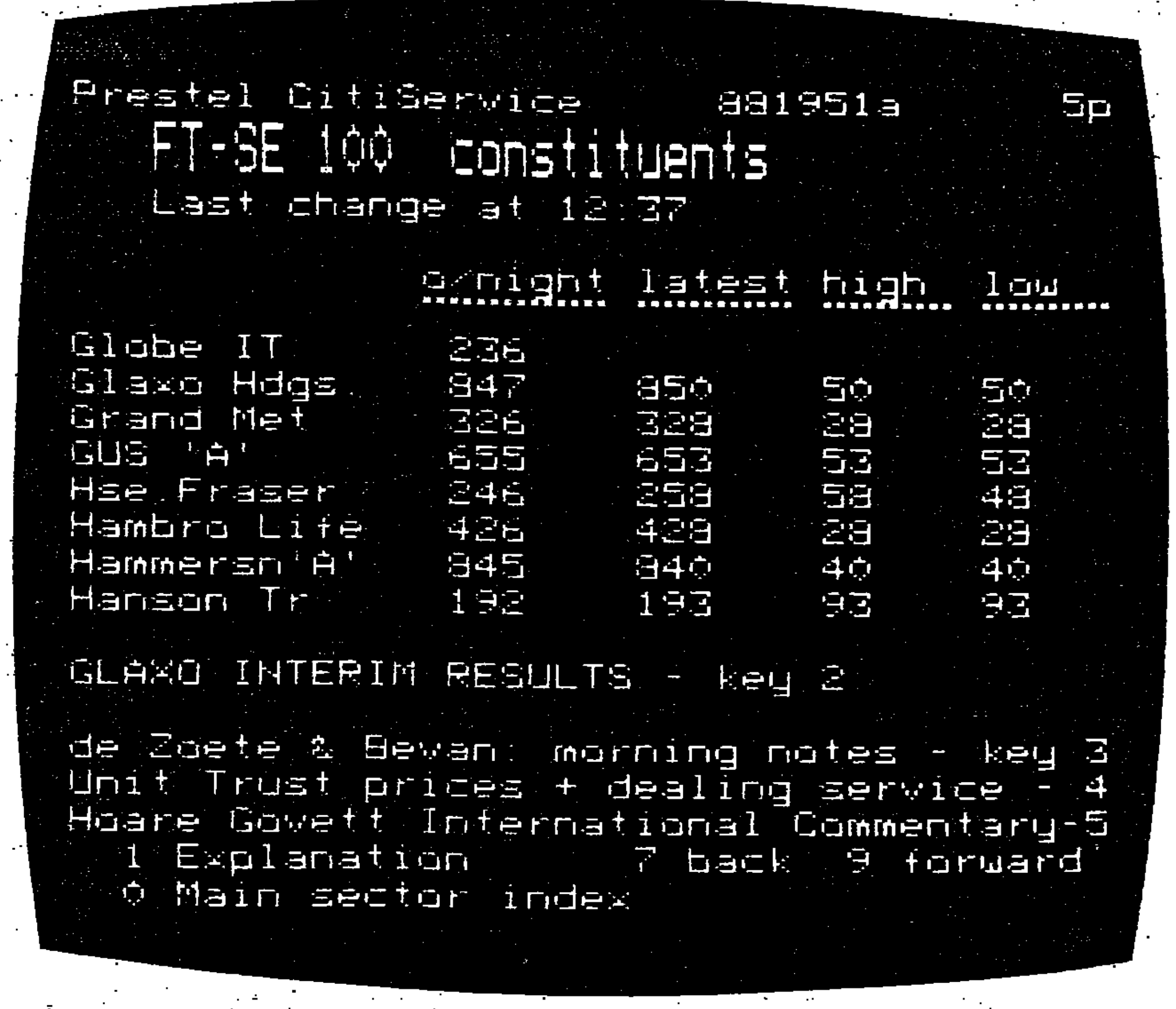

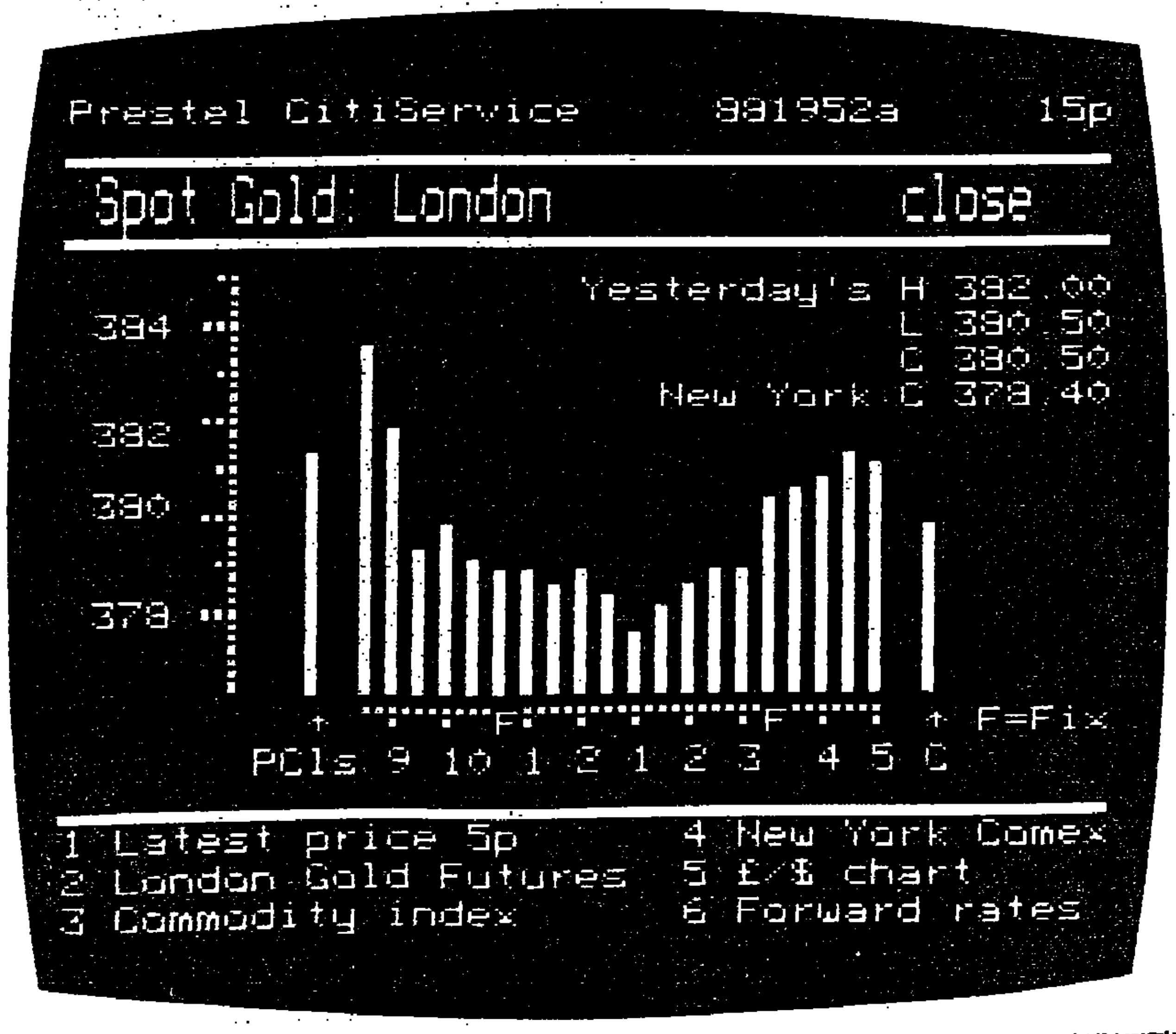

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WORLD TRADE NEWS

Mexico set to give go-ahead to finish $2.8bn steel complex

BY DAVID GARDNER IN MEXICO CITY

THE MEXICAN Government is shortly expected to give the go-ahead for completion of a $2.8bn (£2bn) steel complex on the Pacific coast, in which Davy McKee of the UK has a £350m contract to build a plate steel plant.

The project, known as Sicartsa (Siderurgica Lazaro Cardenas-las Truchas) represents both Mexico's largest ever export order and Britain's biggest contract in Latin America.

Work on what is actually Phase Two of the Sicartsa project—BSC co-ordinated the completion of an integrated steel plant in Lazaro Cardenas in 1976—has fallen nearly 18 months behind schedule, plagued by budgetary problems virtually since Day One.

An inter-ministerial commission set up to decide on the project's future is now, however, expected to give the go ahead on the project which will be completed by late 1986.

According to diplomats here, the commission, which was due to reach a decision by the end of February, has been divided on the merits of the scheme, which some see as a prestige project inherited from the free-spending Lopez Portillo administration.

Contracts for the steel plate mill were signed in February, 1982, on the basis of a fixed 38-month completion time. The finance for the plant was provided by the Export Credits Guarantee Department, 10 per cent in the form of an aid and trade provision grant, and is repayable over 20 years with a seven-and-a-half year grace period.

These terms, probably unrepeatable in today's financial climate, plus the fact that cancellation of the Sicartsa plan would mean writing off between $1.2bn-$1.4bn once penalty clauses and interest are taken into account, are considered powerful reasons for continuing with the project, although possibly in a scaled-down form.

Phase Two of Sicartsa as a whole includes plans for a direct reduction unit, a pelletizer plant, a continuous casting unit, and a concentrator for the plate mill, in addition to the plate plant itself.

Contracts for these units have been signed with West German, French, U.S., Japanese and Mexican companies.

Suppporters of the scheme point out that the original rationale behind the Sicarsta plan still holds good—as an oil-producing country Mexico still imports large quantities of steel plate and pipe.

Port strike hits India's engineering exports

By P. C. Mahanti in Calcutta

For the first time in a decade, India's engineering goods exports have declined for 1973-84 to Rps 12.5bn (£810m) from the previous year's slightly higher figure. The target for the year was Rs 14.5bn.

The three-week national port strike in March was the major factor behind this decline, accounting for 50 per cent of the fall. Other factors, according to Mr Tas Balgopal, chairman of the Engineering Export Promotion Council, were a 5 per cent slow-down in world engineering goods trade, increasing competition from Japan and China, lower imports by Russia, the economic crisis in Nigeria and loss of substantial export business to African countries generally.

The Engineering Exports Promotion Council is yet to fix an export target for the current year

Chit Tun adds from Rangoon: India has offered a Rs 100m (£6.4m) credit to Burma in a move to expand bilateral trade with its eastern neighbour. The offer, yet to be accepted by the Burmese Government, was made during the current visit of the Indian economic and commercial delegation.

Canada expands its Third World exports

BY BERNARD SIMON IN TORONTO

CANADA'S OUTGOING Prime Minister Mr Pierre Trudeau has had scant success in his crusade to stop the nuclear arms race, but another of his foreign policy initiatives—to expand links between rich and poor countries—appears to be bearing some fruit, at least for Canadian exporters.

In the decade to 1980, the Third World's share of Canadian exports advanced from 8.6 per cent to 12 per cent. Excluding the U.S., which bought 73 per cent of Canada's exports last year, developing countries account for about a third of foreign sales.

While many of these markets are still tiny in absolute terms, the value of shipments to several non-traditional trading partners posted impressive increases last year. Exports to Sri Lanka more than trebled to C$52m ($43.9m), to Ghana more than doubled and to China—now Canada's fifth biggest foreign market—rocketed by 31 per cent to C$1.6bn.

Mr Jim Moore, secretary of the Canadian Export Association, says that, while there is much room for improvement: "Our performance has been a little better in the past year or two than is generally recognised."

Several new initiatives have recently been launched to expand trade with developing countries still further. In his February budget, Mr Marc Lalonde, the Finance Minister, promised to earmark up to half of future increases in foreign aid to an "aid-trade fund" with the aim of bolstering Canadian companies' participation in the Government's aid programme.

Details of the fund, which may reach C$1.3bn by 1990, are being worked out by the authorities and local business groups. In the meantime, conditions of a mixed credit programme, which blends aid and

Pierre Trudeau's foreign policy initiative to expand links between rich and poor countries appears to be bearing some fruit—at least for Canadian exporters.

trade financing, have been relaxed to improve the competitiveness of Canadian exports. Instead of having to prove that their competitors enjoy concessional financing, exporters now only have to show "reasonable grounds" for suspicion to qualify for access to the C$900m mixed credit facility. Exporters used the programme only once in the past two years, for participation in construction of the Mexico City subway. But the Export Development Corporation, which administers mixed credit, says it has approved applications worth C$2bn since the rules were eased.

Canada's use of mixed credits will be closely watched by the U.S., which opposes the practice, arguing that the use of aid money to support normal export financed projects distorts trade.

Mr Trudeau's contribution to export successes is debatable, but there is little doubt that the attractions of Canadian suppliers to many developing countries have increased in the past decade. The main reason is that Canadian expertise in many fields, notably telecommunications, transportation, engineering services and oil drilling, has grown markedly.

Lavalin, the Montreal-based engineering and project management group, raised its export revenues to 32 per cent of total sales in 1982, compared with just 9 per cent the previous year, thanks mainly to large urban development contracts in Algeria, agricultural projects in Indonesia and Malaysia and a hydro-electric scheme in Peru.

Likewise, Northern Telecom has displaced the U.S. group ITT in many Caribbean markets. It recently signed a C$147m contract with Trinidad for the second phase of a digital telephone switching and transmission system. The Canadian company completed the first C$60m stage last year. Northern Telecom secured its place in the Turkish market by negotiating a joint manufacturing agreement with a Turkish government agency in the late 1960s. The company has won contracts from Turkey worth C$430m in the past two years.

Canada's political acceptability in most corners of the world as well as its French links have certainly helped the export effort. Countries to which exports rose sharply last year included those with Governments as different as Paraguay, Angola and Costa Rica. Countries such

Exports to Sri Lanka have more than trebled, to Ghana more than doubled, and to China, now Canada's fifth biggest foreign market, rocketed by 31 per cent.

as Iran are understood to use Canada as a conduit for access to U.S. technology.

Algeria has become Canada's 11th largest trading partner and its biggest market in Africa and the Middle East. As an official in the Department of External Affairs puts it: "We offer North American technology and we offer it in French." Canadian exporters have generally had more success in Franco-phone Africa than in the continent's English-speaking countries.

Aid programmes are an obvious source of business for local companies. At least 80 per cent of Ottawa's bilateral assistance must be tied to Canadian purchases. The Canadian Development Agency writes 2,000 contracts a year for Canadian companies' services and spent C$238m on hardware last year and C$250m on food from Canadian suppliers.

Businessmen are pressing for more. One sore point is that Canadian consultants, mainly engineers, are not active enough in promoting their home country's products. Another is the low proportion of orders which Candian companies receive from international aid agencies, such as the regional development banks. While Canada's contributions to these bodies generally rank between third and fifth, a recent study by the OECD's development assistance committee placed it between seventh and 12th in orders received from individual development agencies.

As a result, Government officials, including trade commissioners, have been told to become more active in informing Canadian commerce and industry about multilateral aid projects in the developing countries. Officials of several international development agencies have been brought to Canada in the hope of raising their awareness of the country's capabilities.

China books satellite launches on Ariane

BY DAVID MARSH IN PARIS

CHINA HAS confirmed its growing interest in European space collaboration by booking reservations to launch two television satellites using the Ariane rocket in 1987 and 1988.

The agreement, announced by Arianespace, the French-led commercial organisation set up to sell Ariane satellite launches from this year, accompanies high hopes at West German and French space companies that Peking will shortly place firm satellite orders in Europe.

China's TV broadcasting satellite programme has been slower to get off the ground than many European industrialists had hoped.

But Messerschmitt-Boelkow-Blohm, as the head of a Franco-German consortium which would also include Aérospatiale of France, is hoping for a decision soon on orders for two Chinese TV and radio satellites which could be worth a total of DM 590m (£150m).

Michael Donne, Aerospace Correspondent, reports: Ways of increasing the industrial utilisation of space will be discussed by many interested European companies at a meeting in Stresa, Italy, next week.

The meeting is being sponsored by the EEC and the European Space Agency, and is supported by Aérospatiale, British Aerospace, Dornier and Messerschmitt - Boelkow-Blohm, and other members of Eurospace.

French likely to win Tunisian plant order

BY FRANCIS GHILES

THE FRENCH consortium of Spie Batignolles and Heurtey Industries is expected to win the Tunisian Dinar 49m (£48.5m) contract to build a phosphoric acid plant at La Skhira, on Tunisia's south-east coast.

The most keen competition came from the Japanese consortium of Hitachi and Mitsubishi. The UK's Sim-Chem fell out of the bidding at an earlier stage because of pricing.

Two factors are weighing heavily in favour of the French bid. One is the weakness of the French franc. The Tunisian authorities are worried about the revaluation of the Yen which could, over the medium term, push up the overall cost of the plant to the buyer, Société Industrielle d'Acide et d'Engrais (SIAPE), which is part of the large state phosphate industry group, Groupe Chimique Tunisien.

The French are also prepared to offer part of the payment in the form of purchase of agricultural produce.

This is the first time a major Tunisian contract would be awarded on this basis, and it would enable the country to get around the increasingly restrictive policy particularly where its exports of oil are concerned.

In recent years senior Tunisian officials have privately accused the Italian authorities of trying to keep Tunisian imports out of the EEC.

The French bid may also have been helped by the FFr 560m-worth (£46m) of grants and loans for food imports which Paris offered Tunisia in the wake of last January's bread riots.

The Italian, Impregilo group is expected to win the TD 30m contract to build a dam in Siliana in central Tunisia, more than half the cost of which is being financed by the Kuwaiti Fund for Arab Economic Development.

Sezai Turkes Fezai Akkaya has meanwhile won the $16m (£11.4m) contract to extend the southern port of Gabes. This comes against a background of increasing trade between Tunisia and Turkey.

Turkey will export wheat, cement, tea and cotton to Tunisia while in return Tunisia will provide 350,000 tons of phosphates.

UK bid to have Spanish motor tariffs removed

BY LORNE BARLING

BRITISH MOTOR components manufacturers have launched a major initiative to encourage the removal of tariff barriers imposed by Spain to protect its motor industry from foreign competition.

The action, led by the Confederation of British Industry, comes at a time of increasing frustration over the tariffs, which are regarded as discriminatory against UK and other EEC component companies.

Exporters of components are faced with tariffs of around 18 per cent on goods entering Spain, while the tariffs imposed by EEC countries on Spanish products are about 4 per cent.

Although this is less severe than the 36.7 per cent tariff imposed by Spain on the import of completed cars, against 4.4 per cent on sales of their cars in the EEC, it is felt that Spain is using the imbalance unfairly to build up its local motor industry.

The CBI said that the Spanish Government had last year acknowledged the pressure exerted by the UK car industry and from July, had allowed up to 15,000 cars to be imported at lower tariffs.

"However, CBI members in the West Midlands point out that there has been no action on either side to correct the inequitable tariff duties on vehicle components," the CBI said.

"Companies are also worried that the French proposal to let Spain enter the EEC with a 10-year phasing-in period on agricultural products should be extended to industrial products. Such a long phasing-in period would be disastrous for West Midlands companies."

The Society of Motor Manufacturers and Traders and the British Forging Industry Association (BFIA) both support the initiative, and point out that the tariff arrangements now in force were made in 1970, when Spain's motor industry was small.

Now, it is pointed out, its output is bigger than that of the UK and, while Britain exported nearly £80m-worth of motor products to Spain in 1982, it imported similar goods worth nearly £200m.

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Armco Trust Ltd.	8½%	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9 %	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	8½%	Lloyds Bank	8½%
Bank Hapoalim BM	8½%	Mallinhall Limited	8½%
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Banque Belge Ltd.	8½%	National Girobank	8½%
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Beneficial Trust Ltd.	9½%	Norwich Gen. Tst.	8½%
Bremar Holdings Ltd.	9½%	People's Tst. & Sv. Ltd.	9½%
Brit. Bank of Mid. East	8½%	R. Raphael & Sons	8½%
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CL Bank Nederland	8½%	Roxburghe Guarantee	9½%
Canada Perm't Trust	8½%	Royal Trust Co. Canada	8½%
Castle Court Trust Ltd.	9 %	■J. Henry Schroder Wagg	8½%
Cayzer Ltd.	8½%	Standard Chartered	‖8½%
Cedar Holdings	9 %	Trade Dev. Bank	8½%
■Charterhouse Japhet	8½%	TCB	8½%
Choulartons	10½%	Trustee Savings Bank	8½%
Citibank Savings	¶9¾%	United Bank of Kuwait	8½%
Clydesdale Bank	8½%	United Mizrahi Bank	8½%
C. E. Coates	9½%	Volkskas Limited	8½%
Comm. Bk. of N. East	8½%	Westpac Banking Corp	8½%
Consolidated Credits	8½%	Whiteaway Laidlaw	9 %
Co-operative Bank	*8½%	Williams & Glyn's	8½%
The Cyprus Popular Bk.	8½%	Wintrust Secs. Ltd.	9 %
Dunbar & Co. Ltd.	8½%	Yorkshire Bank	8½%
Duncan Lawrie	8½%		
E. T. Trust	9 %		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
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§ 21-day deposits over £1,000 6¼%.
‖ Demand deposits 5¼%.
¶ Mortgage base rate.

UK NEWS

Ministers rule out check for Libyan weapons

BY JOHN HUNT

THE GOVERNMENT intends to allow the Libyans to take their guns and explosives with them concealed in their diplomatic bags when they depart from the People's Bureau in St James's Square.

Ministers are now reconciled to the fact that there is no effective way in which they can prevent this happening.

That became clear yesterday as preparations were under way for the Libyans, who have been ordered out of Britain, to fly back to Tripoli.

Advice to ministers has been that it would be very difficult to get around the Vienna Convention on diplomatic immunity and demand to examine the contents of the baggage which the Libyans will take with them.

Britain is anxious not to lay itself open to a charge that it is breaching the convention. Such an accusation would be particularly embarrassing after Britain's international initiative to reform the convention on diplomatic immunity.

Nevertheless, the failure to prevent Libyan arms and explosives covertly leaving the country is not going to make the task of the Government any easier when further statements are made to the House of Commons next week.

It was also clear that once the immediate emergency is over, the Government is eager to maintain normal commercial relations with Libya despite the decision to sever diplomatic links with the Gadaffi regime. In the words of one Cabinet Minister: "An awful lot of damage limitation" will be necessary on relations between London and Tripoli.

There are fears that if the British commercial presence was reduced the gap would be filled by Italy, France, Japan and even America, which has stringent controls on its exports to Libya.

British trade is seen as important by the Government although it is not large compared with our exports to other states. Last year the UK exported goods worth £274m to Libya, a 5 per cent increase on the previous year. This mainly consisted of machinery, transport equipment and chemicals.

Imports from Libya, mostly oil, were worth £224m, a drop of 34 per cent.

Minet counts cost of alleged fraud

BY JOHN MOORE, CITY CORRESPONDENT

MINET HOLDINGS, one of the largest British insurance brokers, with extensive Lloyd's of London insurance interests, was yesterday counting the cost of the alleged misappropriation of £38.9m ($55.2m) from Lloyd's insurance syndicates under the group's management.

Announcing pre-tax profits for the financial year ending December 31 1983 of £20.4m, compared with £17.8m a year earlier, the group has disclosed extensive provisions to support the operations of its underwriting agency PCW Underwriting, renamed Richard Beckett Underwriting Agencies. A total provision of £6.7m has had to be made since the troubles arose in the group at the end of 1982.

During 1982, auditors Deloitte Haskins & Sells, carrying out an audit into the affairs of UK insurance brokers Alexander Howden for Alexander & Alexander Services of the U.S., which had taken over Alexander Howden, discovered that not only had money been misappropriated from Howden funds but that agency companies at Minet might also be involved in similar troubles.

The auditors established that $55m had been misappropriated from insurance interests of Howden, another large Lloyd's broker, and that other money had been diverted out of Minet and channelled offshore through a number of Howden companies to various private interests controlled by Minet executives.

It transpired that as much as £38.9m had been channelled out of funds belonging to over 1,000 members of the Lloyd's syndicates under the management of the PCW Underwriting agencies.

A letter to the Lloyd's underwriting members sent yesterday by Mr Richard Beckett, chairman, said investigations had revealed that "some aspects of the syndicates (into which the Lloyd's members are grouped) were conducted in an irregular manner."

Mr Beckett says that money was placed offshore with over 150 companies or trusts in at least seven different countries in the form of "reinsurance" contracts for the syndicates which allowed the directors of the PCW Underwriting and an associate agency company, WMD, to receive "improper personal benefit."

Those primarily responsible for effecting those reinsurances, he said, were "Mr Peter Dixon and Mr Peter Cameron-Webb. They were also in a position to control the ultimate reinsurances and the funds paid for those reinsurances. They appropriated secretly funds from various of the companies and trusts and used them for their own benefit. They also diverted funds to other former directors of PCW, Mr Adrian Hardman, Mr John Wallrock, former chairman of Minet, and Mr Anthony Oldsworth to Mr Colin Davies, a former director of WMD, Mr Barry Newman, a business associate of Mr Dixon, and Mr Alan Sampson, a director of PCW's service company."

Mr David Hill, another former director of PCW, received, Mr Beckett said, "a smaller sum of money from the same source." He said civil proceedings had been initiated against all the named individuals who are defending the actions. Mr Hill and Mr Hardman are suing Richard Beckett Underwriting for wrongful dismissal.

Between 1970 and 1976, the funds were channelled in the form of reinsurance to a company set up in Guernsey, Regal Excess. Regal in turn passed the money over in the form of reinsurances into one, or in some cases two, other companies set up in the Isle of Man, one of which was also called Regal Excess, which reinsured part of the Minet's Lloyd's syndicates directly during 1977. In 1979, the bulk of the funds remaining in the Isle of Man were transferred to companies in Gibraltar.

Between 1975 and 1980, reinsurances were arranged through Alexander Howden Insurance Brokers and the money channelled out of the syndicates in the form of premiums ended up, through a range of routes, in settlements and companies mainly administered from Switzerland. In October 1982, large cash sums and assets were transferred from Switzerland and transferred to Gibraltar.

Between 1978 and 1980, reinsurances were arranged for the syndicates through the Howden broking company and the premiums ended up in companies owned by other settlements in Gibraltar.

Some of the funds, it is understood, were used to invest in a race horse syndicate in the U.S., oil well developments, and film production interests.

The hunt for the missing money continues.

Mineworkers 'optimistic' on talks

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE GOVERNMENT may be brought in to talks on the future of the coal industry if the National Coal Board, the National Union of Mineworkers and the other mining unions can agree an agenda for a tripartite meeting.

Mr Peter Heathfield, the NUM's general secretary, discussed such a meeting during a telephone call yesterday with Mr Ned Smith, the NCB's director for industrial relations. Mr Heathfield said last night: "I am hoping we will be able to arrange a tripartite meeting, I am an optimist by nature."

Contact between the three mining unions and the NCB has continued since the March 6 consultative council meeting at which Mr Ian MacGregor, the NCB chairman, presented his proposals to cut 4m tonnes of capacity with the loss of 20,000 jobs.

In spite of the NUM's violent opposition to those proposals, it was agreed that the unions and the NCB should continue a search for a common agenda on the industry's future with which they could approach the Government.

Mr Peter Walker, the Energy Secretary, has already indicated that he would be prepared to meet the NCB and the union if they could first agree a joint approach.

However, talks on the seven-week-old dispute between the union and the NCB are unlikely in the short term. Mr Heathfield reiterated the union's opposition to any contraction or redundancies to Mr Smith, and the NCB said later that this ruled out a meeting in the short term.

Mr Heathfield, however, while stressing that "it is unlikely we will be sitting round a table talking about closures," added that "if the board were to modify its approach, we could talk about expansion in the future."

The NUM's continuing failure to convince the Nottinghamshire and other Midlands miners to support the strike was demonstrated again yesterday when the NCB reported that 52 pits were producing coal – 46 "normally," and six more, less coal than usual.

It was the best production position since the miners' strike began. The NCB said that 87 per cent of the Nottinghamshire mineworkers were working normally, with many of the rest taking extra days off, or sick.

Mr Arthur Scargill, the NUM president, who is deeply concerned over the Nottinghamshire position, said yesterday that the NUM would stage "a national demonstration" in Nottinghamshire, although no date or venue has yet been fixed.

Speaking after addressing a rally in Blyth, Northumberland, attended by over 2,000 miners, he said: "We will be looking to the whole of the trade union movement to join us to demonstrate to the British people the justice of our cause.

Mr Scargill said he would ask the TUC to make a 50p levy each week on all trade unionists

Labour to press for VAT relief

THE LABOUR Party will next week seek to remove the proposals to impose value added tax (VAT) on hot takeaway foods and on building repairs and improvements, when the House of Commons debates the Finance Bill.

It will focus its attack on the proposed extension of the scope of VAT, and also on the alleged unfairness of a change in treatment of bank interest, and on the failure to change the age allowance in line with other personal income tax reliefs.

Among its proposals are that VAT should not apply to hot food supplied from mobile premises or items packaged separately. An exemption will also be sought on food supplied for home delivery.

A number of Conservative MPs have also tabled amendments which seek to ease the impact of the extension of VAT to building repairs.

● MORE THAN 130 Labour MPs have signed a House of Commons motion criticising Mrs Margaret Thatcher, the Prime Minister, over the Oman University affair. They seek "a clear and unequivocal answer" to the question of whether she knew of her son, Mark's, interest in securing an Oman University contract for Cementation International – for which he was a consultant – during a visit she made to that country.

● BRITISH OIL companies will increasingly look outside the UK, to areas with more stable and less onerous tax regimes, for exploration and development opportunities, a leading British independent oil company said. Mr Geoffrey Searle, chairman of Lasmo, said that his own company would be drilling more than 200 wells this year, of which over 80 per cent would be outside the UK.

● SPENDING by overseas visitors to the UK in February rose to £200m, an increase of 28 per cent on the same month last year, according to Department of Trade and Industry figures.

In the same month spending abroad by UK visitors totalled £175m, giving a surplus of £25m in the UK-foreign travel account for the month, compared with a deficit of £21m a year earlier.

● HOLIDAY INN, the world's largest hotels group, is to open its sixth London hotel. It has bought the leasehold interest of the 192-room Hotel Bristol in Mayfair from Trafalgar House in a deal worth £5m. The hotel will be renamed Holiday Inn Mayfair after a £1m refurbishment.

● NEW ORDERS gained by engineering industries rose by 8.5 per cent in the three months to January. The increases are derived from rises of 7.5 per cent in new orders from the home market and 10.5 per cent in new orders from export markets.

● MR BRIAN COURTENAY, chief executive of the Trimoco group, is to be next president of the Motor Agents Association.

Soviet cruise ship cuts not sufficient, say UK operators

BY ANDREW TAYLOR, SHIPPING CORRESPONDENT

VERBAL SALVOES exchanged between UK and Soviet cruise ship operators continued yesterday when Russian-owned CTC Lines proposed cuts in 1985 capacity that P & O Cruises and Cunard felt did not go far enough.

CTC said some 166,000 bednights – nights multiplied by berth numbers – would be offered in the UK market next year, a drop of 6.75 per cent. This follows a 28 per cent reduction in 1984 capacity from just over 250,000 to 179,300 bednights.

The cuts are a result of steady pressure from the two large British cruise ship companies, mostly from P & O, on CTC to lower what they regard as excess capacity being offered at virtual dumping prices.

CTC, however has argued that a large proportion of its passengers join its ships on the Continent. Yesterday, it said the dispute with the UK operators "failed to take account of the interest of the consumer."

Directors of both UK companies rejected this, claiming that a sizeable number of CTC vessels' berths went unfilled. Dr Rodney Leach, chairman of P & O Cruises, also criticised CTC for making its statement in the middle of continuing negotiations.

These followed a meeting in Leningrad late in February between British executives and officials, headed by Dr Leach, and Russian representatives including those of Morpasflot, which owns CTC Lines.

Dr Leach called the CTC statement, issued in London, "a unilateral breach of continuing negotiations." A reduction of only 6.75 per cent, he said, would still leave CTC's capacity well above the 1979 level of 116,400 bednights.

The market for UK cruise passengers is worth some £100m a year in total fares – mostly for voyages from UK ports, but also including fly-cruises in which people are flown to ships in foreign ports – and has recently been static.

Last year, according to the Passenger Shipping Association, more than 47,000 UK residents cruised from British ports, with just over 50,000 forecast for 1985. This is well down on the 1981 level due to recession and the disruption caused by the Falklands war

'No breach' over Observer row

BY KEVIN BROWN

MR NORMAN TEBBIT, the Trade and Industry Secretary, yesterday refused to intervene the dispute between the editor and proprietor of the Observer newspaper.

Mr Tebbit told the House of Commons that no government conditions over editorial independence had been breached by the reaction of Mr Roland "Tiny" Rowland, chairman of Lonrho, which owns the paper, to a story by Mr Donald Trelford, the editor, on alleged atrocities in Zimbabwe.

Mr Tebbit said conditions safeguarding editorial freedom were attached to the sale of the Observer to Lonrho in 1981. But these were a private agreement between Lonrho, Mr Trelford, the National Union of Journalists, and Outram Limited, the former owner of the paper.

Mr Tebbit said the editorial safeguards written into the agreement had to be enforced by the five independent directors appointed at the time of the sale to police them.

Mr Tebbit said the Government would become involved in the dispute only if an application was made for consent for a transfer of ownership of the paper, which would require a reference to the Monopolies Commission.

In reference to talks with Mr Rowland and Mr Robert Maxwell, head of British Printing and Communications Corporation, over a possible takeover of the Observer, Mr Tebbit said no application had so far been made.

But while insisting that there were no grounds for government intervention, Mr Tebbit quoted a guarantee given by Mr Rowland to the Monopolies Commission that editorial independence on the Observer would be guaranteed "whatever the cost" to his other business operations.

He told Labour MPs: "You must not confuse the issue as whether or not I take these matters seriously with the question of what powers I have as Secretary of State to act." Mr Peter Shore, Labour's trade spokesman, accused Mr Rowland of displaying "the insolence of wealth and the arrogance of power."

Threats to close the paper, to sell it or to withdraw advertising were "a deliberate and massive attempt to further coerce the editor and deny him the same expression of opinion."

Mr Shore claimed the editor's independence had been guaranteed at the time of the Lonrho takeover by Mr Tebbit's predecessor, Mr John Biffin.

Exporters seek subsidies assurance

BY CHRISTIAN TYLER, WORLD TRADE EDITOR

BRITISH EXPORTERS yesterday demanded a "clear *statement*" from the Government that it would continue to support the sale of capital goods overseas.

They protested that a recently-released report by senior Whitehall economists questioning the value of export subsidies had created "uncertainty and consternation" about the Government's commitment.

Executives from the UK's leading process plant and power engineering companies claimed that the report, which had been circulating in Whitehall for more than a year, had led to the denial of aid and consequent loss of key contracts.

The report was produced by economists from the Treasury, the Departments of Trade and Industry and the Overseas Development Authority, led by Mr Ian Byatt, the Treasury's deputy chief economic adviser.

It concluded that there was little economic justification for subsidising export credit interest rates, or using aid to match competing countries' soft loans to Third World buyers.

Yesterday the National Economic Development Office published what it claimed was a detailed rebuttal of the Byatt analysis, on behalf of the heavy electrical machinery and process plant "little Neddies." It charged the Whitehall economists with faulty analysis and ignorance of the industry and of "normal commercial practice in the international market."

Sir Campbell Fraser, president of the Confederation of British Industry (CBI), asked the Chancellor of the Exchequer to reassure exporters that publication of the Byatt report did not mean a change of government policy.

Demanding that government support be not only maintained but improved, he said that unilateral disarmament by Britain "in the face of international competition" would have a severe impact on overseas business.

Mr John Lippitt, a director of GEC, said he deplored the fact that industry had not been consulted.

He denied that export subsidies benefited only a few major companies, or the foreign buyer at the British economy's expense. "Contracts are carried out by many hundreds or thousands of subcontractors," he said.

Britain's project-related aid budget of around £50m a year – also criticised by the Byatt report – should be raised to £100m by diverting funds from the bilateral aid budget, he said.

The NEDO study said the average rate of export credit subsidy for capital goods had fallen to 2.25 per cent, because of the latest agreement within the OECD. This was a quarter of the figure quoted by Byatt at the end of 1982.

Official support for large overseas projects: NEDO, Millbank Tower, SW1P 4QX

Editorial comment, Page 18

Pym book likely to embarrass Thatcher

By Peter Riddell, Political Editor

MR FRANCIS PYM, the former Foreign Secretary, is to set out his views on Britain's domestic and international problems in a book to be published in two months' time. The book is likely to embarrass the Conservative leadership.

Its title is "The Politics of Consent" and it is expected to reflect Mr Pym's support for a traditional Tory consensus view and his dislike for a dogmatic ideological approach.

Since he left the Cabinet last June, Mr Pym has delivered several speeches warning about the dangers of the Government's being too divisive and not taking sufficient account of other views despite its large House of Commons majority.

As befits a former Conservative chief whip (the post of party disciplinarian) Mr Pym's style in these speeches has been opaque, although the criticisms have stood out through the expressions of loyalty.

Moreover, Mr Pym has recently come out in open opposition to the Government over its local government proposals.

Mr Francis Pym: Warning on divisive policies

In the introduction to the book, Mr Pym says he hopes it will be regarded "as a constructive and forward-looking contribution to political debate. Opinions are the stuff of politics. They are not to be feared. The worst one can envisage of someone else's opinions is that they might be right." The book, to be published by Hamish Hamilton, is not intended to be an insider's account of Mr Pym's period in the Thatcher administration, rather a statement of his philosophy and views on the main issues of the day.

His book follows the publication just over a year ago of an important economic work by Sir Ian Gilmour, the former deputy Foreign Secretary, and the more recent publication of a series of essays by Mr Norman St John Stevas, the Leader of the Commons.

Balancing capacity with demand 'still British Steel's main problem' says MPs' report

Doubts linger over Ravenscraig's future

BY IAN RODGER

THE ALREADY tenuous prospects of British Steel Corporation's (BSC) Ravenscraig steelworks in central Scotland look much weaker in the light of evidence published by the House of Commons trade and industry committee yesterday, even though the committee itself recommends that no steel works are closed.

First, there is the testimony of Ford Motor Company indicating that Ravenscraig significantly lags behind other European works in terms of the consistency of its steel's quality.

Then there is the evidence on financial performance. The Scottish strip mill group probably lost about £40m in 1983-84 while Llanwern made a small profit, according to submissions from the trade unions in both areas.

The unions show that productivity levels have improved dramatically at both works in the past few years. In 1980, it required more than 14 man hours to make a tonne of steel at Llanwern, but this had fallen to 3.67 man hours last year. Ravenscraig has come from 10.4 in December, 1981 to 3.94 in February, 1984.

QUALITY PERFORMANCE

Quality performance of major suppliers to the Ford Motor Company's plant at Halewood, Liverpool, January to October 1983

Mill	Tonnes received	Tonnes rejected	%
Llanwern	8,819.99	16.11	0.18
Krupp	5,951.66	2.41	0.04
Thyssen	2,443.40	Nil	Nil
PSS	3,859.92	3.46	0.08
Italsider	2,405.67	26.60	1.10
Klöckner	254.12	Nil	Nil
Hoesch	10,243.60	122.51	1.19
Scottish	9,361.62	239.42	2.55
	43,339.98	410.51	0.94

This has to be balanced in the discussion on the outlook for steel demand and the capacity BSC will need to satisfy it. The Government rejected BSC's request in 1982 to close Ravenscraig on the grounds that the corporation's demand forecasts were too pessimistic.

But the committee noted "with approval" that BSC's forecast for UK steel demand in 1983-84 was accurate to within 3 per cent and it said that the criticism by Dr Jeremy Bray, MP for Motherwell, of BSC's forecasting methods was "unwarranted".

BSC claimed it could save about £90m a year by operating on two sites rather than three, an amount considerably greater than the annual losses being made by three mills together.

The committee also acknowledged that "the need to bring capacity and demand into balance is still the central problem facing BSC."

The corporation had made "enormous progress" in improving its competitiveness and its labour productivity was now "well above average among European Community steel producers," but losses remained high and so BSC still finds itself with some way to go.

It suggested that one prime opportunity in the long term was developing export markets in Western Europe to replace the less stable markets elsewhere, and it welcomed BSC's assurances that it was moving in that direction.

It was less impressed with BSC's claims that it could meet foreseeable demand for strip mill products with only two plants. The corporation said it would still have 10 per cent spare capacity if one plant was closed. Also, if pressed, it would be delighted to drop some export sales now made at very low prices in order to meet improving demand at home or in Western Europe.

But the committee concluded that "the present level of demand is so near the point at which the three mills each pay their way that it would not now be sensible to preempt the possibility of all three breaking into profit should BSC make the gains within Europe to which it aspires."

It also argued that orders on one plant might not easily be transferred to another. "Problems have arisen in the past where BSC has lost market share once the capacity has been taken out, as customers have been unwilling to place their orders with the remaining plants."

It was also felt that BSC should not cut any more capacity until other European Community countries made further progress in fulfilling their commitments on this front.

On privatisation, the committee was sceptical about the merits of the proposed merger of the engineering steels businesses of BSC and GKN.

"Privatisation will result in the creation of a private sector monopoly which will eliminate domestic competition for engineering steels in the UK. This is a result fraught with political paradox, since it is in direct contradiction to the aims of denationalisation as expressed by the Prime Minister."

It also objected to the Government's approach to privatising BSC, which was to sell off first those parts where there was overlap between the public and private sectors.

"We are concerned that such a (piecemeal) approach will lead to the privatisation of the more profitable parts of BSC only to leave a loss-making 'rump' in the public sector. This will not be in the interests of the steel industry, its customers or the taxpayer."

Industrial managers 'lose ground' on pay

BY ANTON LA GUARDIA

BRITAIN'S MANAGERS, particularly those in traditional manufacturing industries, are not benefiting from the economic recovery as much as other workers.

According to the eleventh edition of the National Management Salary Survey, published yesterday, managers' earnings increased by an average of 7.2 per cent in the year to January, while salaries in the economy as a whole increased by an estimated 7.75 per cent.

Managers in science and technology, transport and communications had the largest salary increases of 14 per cent. Next came banking, finance, insurance and business services with 11.3 per cent and distribution trades at 11.2 per cent.

In textiles, clothing and footwear, earnings rose by only 5.6 per cent and in metal manufacturing and other metal goods industries the rise was 6.7 per cent. Total earnings were also lower in these industries.

This distribution of salary increases reflects the economic performance of the country as a whole, says the British Management Institute, which collaborated with Remuneration Economics to produce the survey of more than 19,000 executives working in 242 companies.

According to Mr Roy Close, the institute's director-general, traditional manufacturing industries have been the worst hit by the recession and are finding it more difficult to overcome its effects.

Despite the introduction of car fuel benefit taxation and increases in personal tax for company car users, the survey showed a record number of managers receiving company cars. According to the figures, 98 per cent of directors and 63 per cent of managers have a company car. Holidays and other fringe benefits have also improved.

Mr Close found the lower rate of increase in managers' salaries a disquieting trend for which he could find no explanation. "We have been puzzled by it. We would have expected relative wages to improve rather than to see them slip behind," he said.

Although the survey is not a census of managers, it does show only a very small proportion of women make it to top grades. Of the lowest management grades surveyed, 0.8 per cent were women, while the proportion of women working as directors or as deputy chief executives was only 0.6 per cent. There was only one female chief executive out of 267 surveyed.

● Most managers are considered to be inept by their office workers, according to a survey by the Alfred Marks employment bureau.

The survey found that 288 of the 387 secretarial, clerical and word processing staff interviewed were critical of managers' abilities. The main complaint was a lack of interest in career development and the expectation that staff would be prepared to work long hours without additional pay.

Guernsey woos light industry

BY TIM DICKSON

THE TINY island of Guernsey – best known for tourists, tomatoes and tax exiles – is actively promoting itself as a site for new light industry.

Worried by historically high unemployment and what it sees as over-dependence on the financial services sector, the island's Department of Commerce and Industry (DCI) has set its sights primarily on attracting companies from mainland Britain. Following the success of two American-owned companies, the DCI is also concentrating its efforts on the U.S. The DCI spent £200,000 on promoting light industry last year and has earmarked more than £280,000 for 1984.

By contrast with the many organisations around the world which woo internationally mobile companies with a variety of grants, soft loans and rent and rate free periods, Guernsey will be offering no direct financial inducements.

It hopes that business executives will be sufficiently attracted by Guernsey's favourable tax climate (income and corporation tax for instance, are both 20 per cent), its favourable geographical climate (less than 35 inches rainfall a year) and an abundant supply of banks.

Guernsey officials admit they could probably mop up their 5 per cent unemployment problem – high by their standards if not by others' – if they opened their doors to a few more banks and other financial institutions. But the feeling is that the economy would become too unbalanced if they pursued such a policy.

In aiming to encourage light industrial development – which has contributed two thirds of the new employment in the last three years – the island's government will be careful to maintain its environmental policies. The emphasis will be on "light" as opposed to "heavy"

Recruits to the corporate ranks during 1982 and 1983 included a manufacturer of beds, a marine electronics concern and a business which etches copper pictures. Tektronic Guernsey, the European subsidiary of a U.S. electronic instrument manufacturer, which employs more than 550 Guernsey workers, is being put forward as the sort of company which would be made particularly welcome.

Companies tempted by the thought of setting up on the 24 square mile island will have to consider Guernsey's complex two tier property market. Houses on the so called "open" market are extremely expensive, though assistance will be provided for one key employee if the company can demonstrate the creation of 15 to 20 new jobs.

Ireland's security braves a changeable climate

Margaret van Hattem concludes a three part series on Ireland and the efforts of the New Ireland Forum to reconcile aspirations to unity. Today she looks at security issues.

CONSTABLE John Robinson of the Royal Ulster Constabulary fired 19 shots at two members of the Irish National Liberation Army, reloading in the process, and killed them both.

They were unarmed, and their car was stationary with the handbrake on. Four of the seven shots which killed Seamus Grew were fired from a distance of 30 to 35 inches. Acquitting Robinson of murder, Lord Justice Macdermott found his account of the events "distorted" but accepted he acted in self-defence. He complimented him on his marksmanship. The killings took place in December 1982, the trial at the start of this month.

When Mary Travers, a teacher in a West Belfast primary school and daughter of a Roman Catholic magistrate, was accidentally killed by the IRA in an unsuccessful assassination attempt on her father soon after, public reaction was surprisingly muted.

Residents of nearby housing estates, interviewed on Irish television, felt that the girl's death was a pity, but that her father was a legitimate target, part of an indefensible system.

Northern nationalists do not, in general, hold police officers like John Robinson and judges like Lord Justice Macdermott in high esteem, or consider the "law and order" which they uphold to be qualitatively different from the code of conduct which governs the IRA.

Northern Ireland's security problems and political problems are inextricably linked. As both the Irish and British governments appear to agree, you cannot solve one without the other.

When Mr James Prior, the Northern Ireland Secretary, indicated recently that the British were ready to start treating the security threat as an all-Ireland problem, he could hardly have been unaware of the minefield into which he was stepping.

To accept the all-Ireland nature of the security threat is to acknowledge that the political conflict also has an all-Ireland context. However to get from there to the setting up of joint Anglo-Irish institutions which could tackle the political/security problems – in line with the thinking of the New Ireland Forum – would appear to be a task almost beyond human capacity. The Forum is due to make its first report next week.

Republican violence may be the most obvious face of the political/security problem; but it is the latent Loyalist violence, threatening to erupt whenever the official security forces appear unable to guarantee law and order, that puts pressure on police to bend laws which cannot, in themselves, guarantee any such thing.

No police officer is likely to admit openly to cutting corners, but some senior RUC men do privately recognise the problem, and admit that it disturbs them and that it deepens the rift between the security forces and the nationalist community.

The first step, it is agreed in London and Dublin, must be to heal that rift. But how?

The best way, it is suggested in Dublin, may be to put Irish police, backed by Irish troops, into the north. They would, of course, work in co-ordination with the RUC and the British Army, as they do now. Sovereignty, argues one senior member of the Irish Government, should be no problem in a country with no written constitution and where "sovereignty begins and ends where Maggie Thatcher says it does."

Not surprisingly, the British view things differently, and seem to find the prospect of Irish troops on UK soil as unacceptable as the Irish find the suggestion that the British security forces might have an all-Ireland role.

But there are more immediate problems long before big questions like sovereignty arise. Anglo-Irish security co-operation on the border anyone will tell you, is highly satisfactory. British ministers constantly stress their satisfaction and insist that co-operation was as good under the Fianna Fail government of Charles Haughey as it is under the Fine Gael government of Dr Garret FitzGerald.

Irish ministers appear equally satisfied. Lower-ranking police officers in the Garda Siochana and the RUC respect each other's professionalism. The two armies are not in direct contact – they deal through their police forces, to whom they are subordinate.

Unfortunately that degree of confidence does not exist at the very top. It has been badly shaken by a series of events viewed so differently in north and south as to put large question marks against any proposals for more closely integrated security efforts.

Relations between the two top police officers – Garda Commissioner Larry Wren and RUC Chief Constable Sir John Hermon – appear to be strained beyond repair and the atmosphere of mistrust is beginning to extend into the political arena.

Things began to go badly wrong when Commissioner Wren turned to the RUC for help in investigating the so-called Dowra affair which occurred under his predecessor nearly two years ago.

The plaintiff in an assault case, against the brother-in-law of the then Justice Minister Sean Doherty, was detained in the north by the RUC on the day of the trial and the case was dismissed.

The RUC have answers for all questions raised by the south and deny all suggestions of complicity in a plan to help the Garda help their then minister.

But any investigation must, they point out, be handled by their police authority, which needs more information than Commissioner Wren has so far been prepared to supply.

Then came the arrest in the south and hasty extradition of Dominic McGlinchey last month. The senior Irish government members who worked frantically and took high political risks to hand over to the North this much-wanted murder suspect, cannot understand why their efforts have been so ungraciously received.

Authorities in the North say they cannot understand why McGlinchey was "foisted" on them, with no prior warning, and with no attempt to check whether the seven-year-old evidence for the murder charge on which his extradition was based, still stand up in court. The south, they add, has stronger evidence for worse crimes by McGlinchey and should have tried him there.

The next bombshell was the Robinson trial, mentioned earlier, in which the accused disclosed details of hitherto secret RUC operations south of the border carried out without the knowledge of the Irish Government.

The British Government's prompt apology for the "apparent incursion" and its promise to hold an inquiry averted the threatening crisis. But the apology, delivered without either consulting or informing the RUC, infuriated Sir John Hermon, who felt the force was being walked on for reasons of political expediency.

Each case would appear to demonstrate the defeat of good will and good intentions by carelessness, incompetence, misunderstanding, sheer bad luck and perhaps – lurking in the background – a little downright mischief. This, however, is the climate in which any attempts to integrate British and Irish political and security efforts will have to survive.

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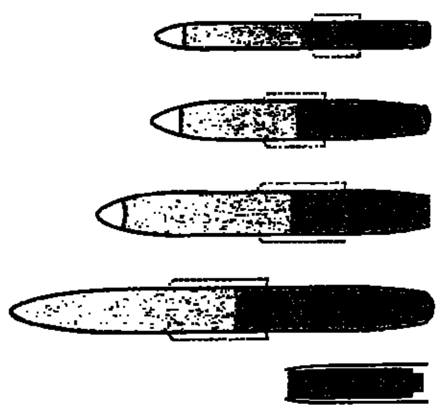

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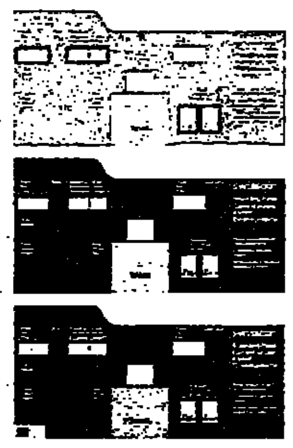

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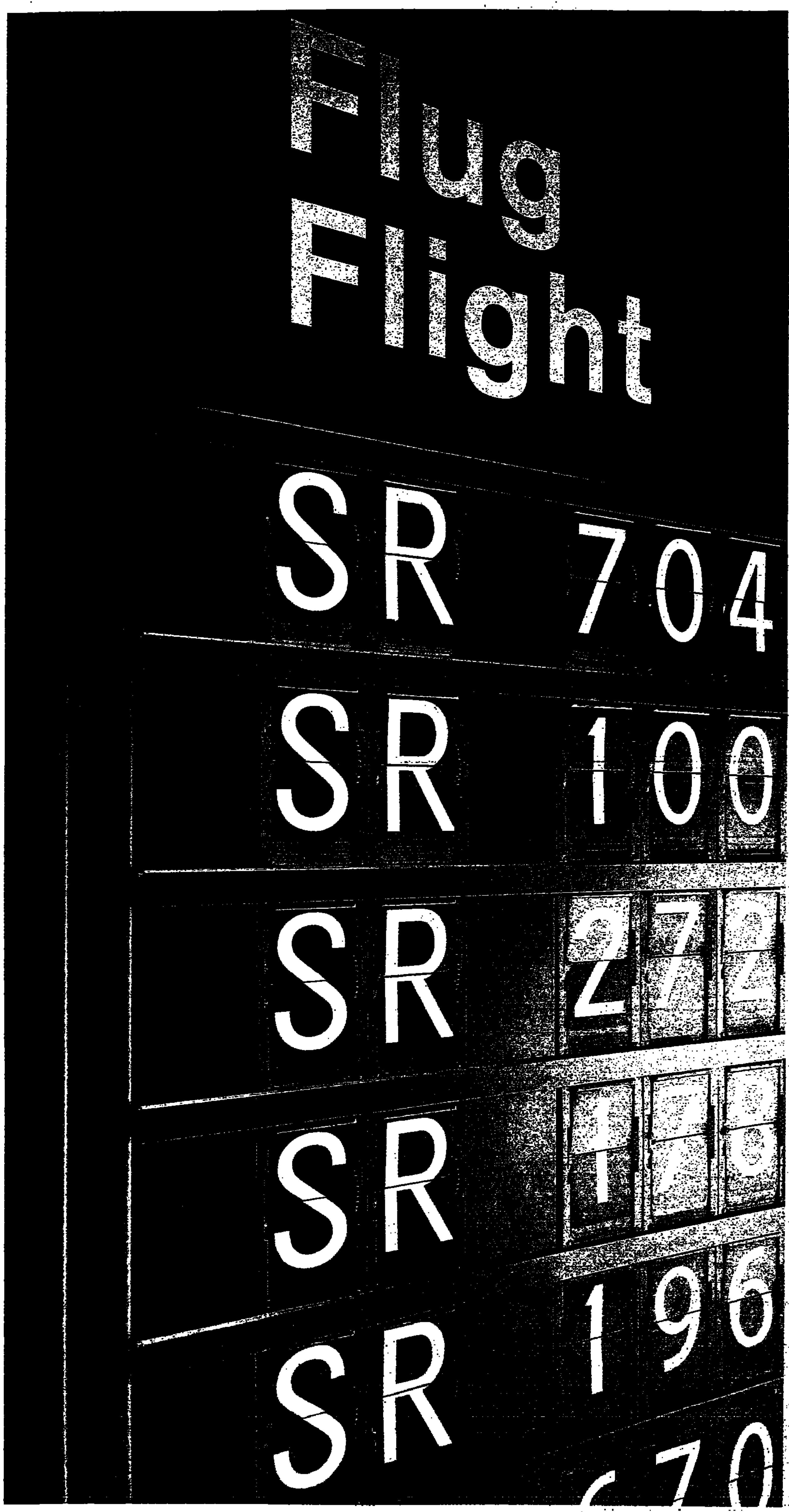

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Why it gets harder to stay ahead

Nick Garnett reports on a Mather and Platt division's quest to sustain quality

QUALITY

Third in an occasional series

"THERE ARE two types of quality," says Tony Wright. "There's that of the high quality car but where at the end of the day you can call out a repair service if it should break down. Then there's the kind of quality we have to meet. If one of our pumps stops working in the middle of the North Sea the Automobile Assocation just won't want to know about it."

As managing director of Mather and Platt's rotating machinery division, which employs 1,200 in Manchester making pumps, electric motors and pumping sets costing up to £500,000 and more, Wright works in an environment in which companies do not survive unless they have stringent control, but where quality is still a selling factor among the big pump manufacturers.

Mather has secured in the past three months three separate orders among others involving 18 pumps for India, Holland and the North Sea and for each of which the company did not offer the lowest tender. For one—Mazagon Dock, the Indian state platform constructor—the rotating machinery division's was only third lowest. And it says that for all of these orders quality was a crucial element.

Like many British enineering operations, the rotating machinery division—which makes a healthy though undisclosed profit—has never had any real quality problem. It is faced, though, with a series of factors which require it to meet ever-rising quality demands.

Competition never ceases from companies like Hitachi and Ebara, Bingham, Ingersoll Rand and Weir for orders from the oil industry to which the division sells 60 per cent of its products.

Additionally, companies to which the division supplies are requiring Mather and Platt to produce, faster than ever before, pieces of equipment machined to very fine tolerances. In one case the specification demanded that the vibration level of a pump shaft, spinning at 6,000 rpm, must be no more than one-quarter of a thousandth of an inch.

A subsidiary of the Australian Wormald Group, Mather and Platt has demonstrated how two things—the introduction of computer aided design (CAD) and simple closer scrutiny of how it uses machines—can improve a manufacturing system in which quality was already a by-word.

One of the areas in which computer aided design has been strikingly successful is in improving stress analysis. An example is the base plate upon which the whole pumping set rests. Before CAD, the division employed some fairly simple rules to determine the stress characteristics of base plates used for pumping sets on oil rigs and platforms. If problems developed during a pump's operation it was not always possible to know for certain whether they were the product of metal fatigue or stress.

CAD allows the company to work to absolute limits. The base plate is divided up on the computer into its separate physical elements, each of whose stiffness characteristics are known.

Mike Arron

Tony Wright: has turned to computer aided design to help improve a manufacturing system in which quality is already a by-word

The computer can then apply varying loads to different points and at different angles, the varying degrees of stress appearing as different colours on the display unit.

This has permitted much more sophisticated stress testing while at the same time reducing the man-hours involved in doing it. This has played its part in reducing delivery times for a medium-sied pump from up to a year to about a half of that.

Computer aided design is also a valuable tool for resolving engineering problems that have already emerged in a finished product.The division had a particular difficulty with one model of pump in which a balance piston had a tendency to seize.

Only by using CAD were Mather and Platt's engineers able to see what was going on and to completely resolve the problem in a much shorter time than would otherwise have been possible. In this case the pump's end cover plate was fractionally bowing outwards under stress, causing a pinching effect interfering with the piston's movement. "classical structural mechanics couldn't predict this," says Mike Holt, the division's engineering systems manager.

On the shopfloor there has been no dramatic upheaval on quality improvement but there have been some small changes. One of these concerns the welding of a pump's barrel assembly.

At one time a welder used to carry out his task by welding from different angles on a stationary barrel assembly. An in-house designed "manipulator" now rotates the barrel so the welder can stand vertical at all times and weld downwards—the position of optimum control on a welding tool to enhance weld quality.

But for this division of Mather and Platt improving manufacturing performance will be much more closely tied to the use of computers, the next step of which is to link its CAD facility directly to its computer numerically controlled machines. Two local universities are now working with the company on this project.

Previous articles in this series appeared on March 12 and April 13.

Leadership

A quality seeking definition

BY MICHAEL DIXON

"IN SOCIALIST China," said a big poster in London some time ago, "the workers take the lead." Scrawled below was: "In capitalist Britain they don't stop at the lead. They also take the copper, zinc, iron and the fillings out of your teeth."

It may be by chance that the English language uses the spelling "lead" to stand equally for "acting as the mainspring of progress" and for a poisonous commodity that weighs you down. But the coincidence typifies the British attitude to being organised.

With exceptions such as the military and police, we resist it. Yet that does not stop us, given a reverse in our collective fortunes, from blaming it on lack of leadership higher up—which poses a problem for managers.

Their reaction when their juniors hesitate, if not refuse, to follow them is evidently to take the blame on themselves for their own shortcomings as leaders. For few topics attract more interest from managers as a group than the question of how to acquire good leadership qualities. The trouble is that nobody is sure what those qualities really are, despite the existence of more than enough theories of leadership to wallpaper a palatial boardroom.

The kind of leadership to which most thrusting executives aspire is the "charismatic" type, first defined by the German sociologist Max Weber who died in 1920. Charismatic—which means "having the gift of grace"—was his name for one of what he thought were three different ways of exercising authority over groups of people. The others are the traditional type, and the bureaucratic.

He claimed that while in practice leadership is never of any single type, one of the three always predominates. The pole position changes with circumstances including prevailing ideas about rights, duties and so on. If the dominant type loses adequate support it is replaced by another. Severe dissatisfaction is particularly likely to let in charismatic leadership.

It is the type which gives the strongest person power to the leader. Sadly, it can have uncomfortable consequences for many of the followers. Weber defined it as founded on: "A certain quality of an individual personality by which he is set apart from ordinary men and treated as endowed with supernatural, superhuman or at least specifically exceptional powers or qualities."[1]

It is a definition which can accommodate the crimes of a Hitler as well as the charity of a Christ.

The bureaucratic option was Weber's favourite. He saw it as the type most suited to technologically advanced societies with economies based on mass production.

He seemed to believe bureaucracies could plan scientifically the future course of the organisation concerned and implement the plans by rational, impartial procedures. As the course to be followed was scientifically determined, mere human leaders would take a back set. Authority would be vested, not in people as people, but in certain clearly defined jobs or "offices." Persons chosen to hold them, strictly on objective merit, would leave behind their self-interest and other foibles and wield the office's power impartially and logically.

Alas real bureaucracies don't work quite like that. The necessary science of forecasting the future, especially in terms of human behaviour, has not emerged.

Lacking predictive science and moral impartiality, top bureaucrats might fall back on convenient myths and precedent. Their rule could then operate as only an elaborated form of the traditional, no better guaranteed to cope adequately with marked changes in conditions.

In recent years there has emerged a new variation on the same theme. It is apparently based on the idea that while the abilities needed to lead in all circumstances are too difuse to be found in just one person, they can be combined in a team of people.

> '...while the abilities needed to lead in all circumstances are too diffuse to be found in one person, they can be combined in a team'

One version of this approach has been developed by the British psychologist Dr Meredith Belbin, who has tests which he believes identify people with some or other of the full range of attributes, who can then be assembled into leadership teams. The individual elements are of eight main kinds, as follows:

Chairman — able to clarify goals and priorities, motivate colleagues, promote taking of decisions.

Implementer — to organise ideas and plans into practicable courses of action.

Shaper — to challenge and pressurise colleagues find ways round obstacles.

Plant — to create new ideas, solve difficult problems.

Resource investigator — to explore possibilities, get to know and negotiate with potentially useful outsiders.

Evaluator — to review all options and analyse their likely outcomes.

Team worker—to listen, build relationships, avert friction by soothing truculent colleagues.

Completer — to search out errors, omissions and oversights, keep others to schedules and targets.

Dr Belbin tests his approach by forming teams from executives attending courses at, for instance, the Oxford Centre for Management Studies and then setting the teams to compete in an extremely demanding business exercise called Teamopoly. Unfortunately, while the theory suggests that the group with the best balance of the different attributes should take the prize, it doesn't always do so.

Lately he sent into the contest a team composed entirely of resource investigators. It evidently won hands down.

Another approach, based on the idea that good leadership is produced not so much by qualities which people have by nature as by skills which can be learned, is represented by Professor John Adair of Surrey University.[2]

He thinks good leaders learn to balance three different needs: achieving the objective; developing the followers as a team; developing members as individuals. The impossibility of blanking out any one of these without blanking out part of both the others illustrates that unless the leader attends to all three needs continuously it is impossible fully to satisfy any of them.

But the latest variation advocated by Alistair Mant of South Bank Polytechnic[3] seems to deny not only that concern about "people" needs is essential to good leadership but also that it depends on the possession of certain leadership qualities or skills at all. The key, Mant suggests, is the existence of an objective to which the head of the group is committed and which all the followers can share and recognisably contribute to achieving.

The common understanding of what the group operation is *for* and how the members relate to it serves as a shared moral criterion to regulate how they behave to one another. So the best way anyone can get others to follow is by being concerned above all with ensuring a product or service that is widely seen as of unmistakeable value.

While Mant's moral emphasis refutes the historic notion that there exist qualities or skills enabling the people who have them to be followed no matter where they choose to go, his idea is less than original. It was also held, for example, by Henry Ford who wrote:

"Business must be run at a profit, else it will die. But when anyone attempts to run a business solely for profit and thinks not at all of the service to the community, then also the business must die for it no longer has a reason for existence."[4]

Or in other words, sooner or later its leadership will go down like a lead balloon.

[1] *Economic and Social Organisation III iv 10; Collier Macmillan 1964.*

[2] *Effective Leadership; Pan 1983.*

[3] *Leaders We Deserve; Martin Robertson 1983.*

[4] *Today and Tomorrow; William Heinemann 1926.*

THE ARTS

Cinema/Nigel Andrews

All human–and animal–life is here

White Dog, directed by Samuel Fuller
Daniel Takes a Train, directed by Pal Sandor
Big Meat Eater, directed by Chris Windsor
The Heartbreakers, directed by Peter Bringmann
Fords on Water, directed by Barry Bliss

Burl Ives and Kristy McNichol in "White Dog"

"This is the enemy!" bawls Burl Ives as "Carruthers," animal trainer to Hollywood, pointing at a poster of R2D2 in Samuel Fuller's *White Dog*. Fortunately for Carruthers and his tribe, there are still a few rear-guard movie-makers who prefer the live drama of animals to the dinky comedy-drama of robots, and Fuller is one. This great American maverick has been shooting films from the hip for 35 years (including *Underworld USA*, *Shock Corridor* and *The Big Red One*) and *White Dog* is a typical salvo. It loads its barrel with every available topical theme, from rape to racism, and discharges them in a thriller format as lively as it is unsubtle. Fuller's films work on the principle that there are so many holes in you by the end of the film that you won't notice the almost equal number of holes in the plot.

The title four-footer is a white Alsatian stray adopted by struggling young actress Kristy McNichol, who for reasons best known to the scriptwriter (Fuller himself, from a Romain Gary novel) lives in a luxury villa in the California Hills. No sooner has the snowy canine scored ten out of ten for good conduct by saving Miss M from a midnight rapist than he starts venting his aggression on innocent blacks. Two are savaged, one killed. Was he trained to do this by racist previous owners? And will black trainer Paul Winfield, who helps run the Ives-Carruthers animal centre, accede to our heroine's request to help her doggy "unlearn" this tendency? (Yes to both questions).

The film's Sisyphus struggle is to push the stone of plausibility up the hill of mounting audience protestations. Your sane self keeps crying, "Why not shoot the damned animal and save the cost in human blood?" And the cry is not quite quelled by the reason given for Winfield's tenacity: that the example one dog liberated from it racism will stop black-haters training other dogs. This has as much logic as saying that people will stop making bombs if they think that someone somewhere will defuse one of them.

But with Fuller you have to swallow the pips with the fruit, because he doesn't so much prepare movies for the table as empty them straight down your oesophagus. While credibility survives—for a good hour of the film—the excitement is tremendous: a pounding, prowling camera, a dog who far upscreens the late unlamented Cujo for ferocity (tremble at the wrinkling snout and blinding fangs) and the tough, pliant charisma of Miss McNichol. And even when credibility totters, it's still more compelling to watch Fuller choreographing Nature red in tooth and paw than to watch, say, George Lucas and Company choreographing the latest line in peripatetic vacuum cleaners.

*

Ever since Hungarian cinema first lifted the lid on the post-war Stalinist years, the steam of retroactive outrage has been billowing forth profusely. It billows forth almost literally in Pal Sandor's *Daniel Takes A Train*, where the frontier hotel lodging overnight fugitives from 1956 Hungary swirls with more opaque, Expressionistic vapours than could be created by an entire population all smoking cigarettes at once.

These scenes of baroque and batty inferno are the most striking in the tale of two young men who join a refugee train from Budapest to the Austro-Hungarian border in December 1956—there to be trucked across to "freedom"—but who find that crisis night near the frontier ferments their resolve in wholly different ways.

The Jewish Daniel (Peter Rudolf) tastes in one night the tremors of love—with the girl he hopped on the train to pursue—and the chaos of historical perspectives, as beery bickerings break out between the "party-liners" and the "counter-revolutionaries." His soldier friend Gyuri (Sandor Zsoter) witnesses a midnight brawl in which his father, a former secret policeman, goes to the rescue of the very ex-colleague who once betrayed him into jail: which chilly demonstration of how political faith overleaps personal grudge knocks Gyuri's previous certainties likewise for six. Will both young men—or neither—make the final bound into the Free World? Or will they backtrack to the alluring, unsolved ambiguities of Budapest?

Peter Rudolf's marvellous Daniel has the look of a Magyar Buster Keaton—all high cheekbones, noble nose and huge unblinking eyes—and his performance humanises a movie that's elsewhere at once too swirling and too schematic. The foggy post-dubbing badly blurs individualisation of character, and the all-human-life atmosphere of the hotel sometimes makes us feel as if we've signed up for 60 minutes' allegorical hard labour in a Friedrich Durrenmatt play. But there are gleams of passion and precision throughout; and Rudolf plants the kiss of humanity on all his scenes, even those that try firmly to resist it.

*

Elsewhere the Easter silly season is in full swing. *Big Meat Eater* should turn any sane filmgoer into an instant vegetarian. This Gothic casserole of musical, horror film and Sci-Fi romp—sauced and simmered in would-be spoofery—depresses not by its excesses but by its monotony. The little town of 'Burquitlam,' Canada, resounds to the mass convergence of aliens from Outer Space, a zombified Mayor, a boy scientist, a homicidal butcher called Abdullah and several servings of grilled gangster and hamburgered hound. (Quail at the slice of spotted meat which records the passing of a Dalmatian.)

This might all have been good unclean fun if directed with more verve by Chris Windsor and with at least a glimpse of galloping gallows wit. But instead it's slow, congealing and vaguely repulsive, like yesterday's dog's dinner. However, it is showing in a double-bill with Bill Forsyth's superb first feature, *That Sinking Feeling*, so perhaps you should gird up your palette and go.

*

How *The Heartbreakers*, with so many better films teetering on the EEC coast waiting for a boat to Britain, made the trip from Germany is a mystery. The resistible rise of a Ruhr Valley rock group is related for us in song and drama, and directed by Peter Bringmann with all the excitement of a waterlogged *Stardust* or a plastic *Breaking Glass*.

The whirring droids of the eponymous group—including pill-popping fatty Horn (Mark Eichenseher), artful-dodger young manager Pico (Michael Klein) and David Bowie clone Freytag (Sascha Disselkamp)—keep trying to "put on the show right here" (or at least rehearse it) while the script trips them up with romantic complications, stray punch-ups and bits of instant philosophising about recession Germany. The only appealing character is Sigurd the goldfish, Freytag's pet, who gapes in constant and commendable astonishment at the rags-to-razzmatazz cliches flying all around him.

*

Barry Bliss's *Fords on Water*, from the British Film Institute Production Board, is a gamesome oddity: like *Candide* meets *The Defiant Ones*. Two questing innocents—a young black (Elvis Payne) and a young white (Mark Wingett)—tack to and fro across modern Britain, bound together by the invisible shackles of poverty, joblessness and a crusty, quipping comradeship. En route they meet social injustice and discrimination of class, race and sex, and are regularly struck in the face by Bliss's batwing non-sequiturs. ("Education's a fine thing," says one of their Mums, hurling a book out of a balcony: "Excuse me a minute" says a young man, before throwing *himself* out of a window.)

The verbal ellipses and surrealisms lilt along throughout (Girl, "You don't even know me"; Boy, "Does a dolphin know the ocean?"): with the unfortunate result that the dialogue has so much more oomph and interest than the imagery that *Fords On Water* might have fared better as a TV play—or even a radio play. You come out optically hungry and humming the one-liners.

Arts Week

F	S	Su	M	Tu	W	Th
27	28	29	30	1	2	3

Theatre

CHICAGO

E. R. (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (695 3000).

WASHINGTON

Beyond Therapy (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a society of choices. Arena Stage (488 3300).

NEW YORK

Cats (Winter Garden): Still a sellout. Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music the best parts of the show are not the hoopla, apart from the first-act finale à la Gaîté Parisienne, but the intimate moments borrowed direct. An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the apropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, à la Supremes, without the quality of their music. (239 6200).

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246).

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscences now that the Nederlander organization has generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

The Human Comedy (Royal): A sold out ten-week engagement at the Public led to this Broadway incarnation of William Saroyan's gentle story of California folk, as interpreted in oratorio by Hair's creator Galt MacDermot with William Dumaresq's libretto. (239 6200).

LONDON

Loot (Ambassadors): Leonard Rossiter is a wonderful Truscott in Jonathan Lynn's enjoyable revival of Joe Orton's farce in which a leading role is played by a mummified corpse. The versatile Gemma Craven plays the Irish nurse who is open to offers and party to crime. (836 1171).

The Aspern Papers (Haymarket): Vanessa Redgrave and Wendy Hiller give superb performances in Michael Redgrave's 1959 version of Henry James's story. The inquisitive scholar who descends on their Venetian palazzo is played, ponderously, by Christopher Reeve. (930 9832).

A Streetcar Named Desire (Mermaid): Sheila Gish gives the performance of her life as Blanche Dubois in Alan Strachan's excellent revival, first seen last year at Greenwich. Tennessee Williams's emotional roller-coaster of a play amounts to one of the best evenings in town. (936 6123).

Saint Joan (Olivier): Staid and stolid National Theatre revival of a play that is finding it increasingly hard to live up to the tag of Shaw's masterpiece. Frances de la Tour is sincere and unrhetorical to a fault as the maid, and Ronald Eyre's direction includes medieval pageant, some striking music by Ilona Sekacz and, alas, a disastrous deputy inquisitor from Cyril Cusack. (928 2252).

TOKYO

Cats (Cats Theatre). The specially built tent theatre, excellent set, good dancing and Kabuki-originated movement all make the Japanese version worth seeing. Shiki company, directed by Keita Asari. (320 1001).

Kabuki: Munasen, Sonezaki Shinju or Double Suicide at Sonezaki (Kabuki-za). One of Chikamatsu's most famous plays based on a true incident. English programme details, simultaneous earphone commentary. (541 3131).

Kabuki: Go-hiki Tsunagi Uma, or Pulling the Tethered Horse (Meiji-za). This production is reputed to have cost Y10m ($44,000) and tells the story of a man who disguises himself as various warriors, and a spider in order to avenge his father's death. (667 5151).

Opera and Ballet

NEW YORK

American Ballet Theatre (Metropolitan Opera House): The eight-week spring season of Mikhail Baryshnikov's company includes an all-new Cinderella, choreographed by Baryshnikov and Peter Anastos. Other season premieres include works by Twyla Tharp and Martine van Hamel. Natalia Makarova's new staging of Paquita and company premiere of Sir Kenneth MacMillan's Triad. Company favourites in the repertory include Swan Lake and last year's premiere of August Bournonville's La Sylphide. Lincoln Center. (580 9830).

The New Moon (Light Opera of Manhattan): Sigmund Romberg's tale of French Louisiana in the 17th Century includes the songs Wanting You and Lover Come Back To Me. Ends May 27. 334 E 74th (861 2288)

WEST GERMANY

Berlin Deutsche Oper: Tosca has Eva Marton, famous for her rendition in the title role, and Giorgio Lamberti. Die Entführung aus dem Serail features Karin Ott and Bengt Rundgren in the main roles. Der Troubadour is produced by Herbert von Karajan and brings together Peter Gugalov, Carel Wyatt and Stefania Kabaivanska. (34381)

Hamburg, Staatsoper: Die Entführung aus dem Serail is again added to the programme, starring Peter Schreier as Belmonte. Premiering this week is a new production of L'Ormindo by Cavalli, produced by Erich Wonder and conducted by Jeffrey Tate. Rüdiger Wohlers appears in the title role. Madame Butterfly, sung in Italian, has fine interpretations by Yoko Watanabe and Luis Lima. (351151)

Cologne Opera: Werther returns with Kathleen Kuhlmann and Juan Lloveras. Falstaff is perfectly cast with Walter Berry in the title role. Fidelio is steered to triumph by Katarine Ligendza, brilliant in the part of Leonore, and Martti Salminen as Rocco. (20761)

Frankfurt, Opera: Harry Kupfer's production of Lulu has Nancy Shade making her debut in the title role. La Traviata convinces thanks to Nelly Miricioiu as Violetta. Der Fliegende Holländer features Robert Hale in the title role. (25621)

Munich, Bayerische Staatsoper: Premiering this month is a new production of Ariana Lecouvreur produced by John Copley, conducted by Guiseppe Patane, starring Margaret Price, Hanna Schwarz and Neil Shicoff. Der Rosenkavalier is of respectable standard with Gwyneth Jones and Brigitte Fassbaender. Further performances are Orpheus and Eurydice and Le Nozze de Figaro, which brings together Delores Ziegler and Alfred Kuhn. (21851)

ITALY

Milan: Teatro alle Scala: I Lombardi Alla Prima Crociata – a new production directed by Gabriele Lavia and conducted by Gianandrea Gavazeni with Jose Carreras and Ghena Dimitrova. (809126)

Bologna: Teatro Comunale: Lucrezia Borgia with Katia Ricciarelli conducted by Gabriele Bellini. (222999)

Genoa: Teatro Comunale: An unusual masterpiece by Gaspare Spontini La Vestale composed in Paris in 1807 in the style of Gluck. With Raina Kabaivanska and Maurizio Frusoni (589329)

Verona: Spettacolo di Balletti with the Corps de Ballet of the Arena of Verona (22880)

Rome: Teatro dell'opera: La Fenice production of Parsifal conducted by Wolfgang Rennert and directed and with scenery and costumes by Pier Luigi Pizzi. Sung by Sven-Olof Eliasson and Gabriele Schnaut. (461755)

BRUSSELS

Marriage of Figaro directed by Sylvain Cambreling with Felicity Lott as the Countess. Theatre Royale de la Monnaie.

XXth Century Ballet, choreography by Maurice Bejart, with Messe Pour Le Temps Futur. Cirque Royale.

VIENNA

Barber of Seville conducted by Haenchen with Elias, Schwarzenberg and Wagner. Volksoper. (5324/2657)

Aida conducted by Lorin Maazel with Vergara, Chiara, Vance, Seiris, Pavarotti; Salome conducted by Hollreiser with Armstrong, Hesse, Slania; La Cenerentola conducted by Zedda with Holm, Hintermeier, Balsta. Staatsoper (5324/2655)

Giselle choreographed by Nureyev, conducted by Artmuller, with Christine Gaugusch, Gyula Harangozo and the Vienna State Opera Ballet. Volksoper

PARIS

Massenet's Werther conducted by Georges Pretre in Florence's Teatro Commmale production, with a superbly sung title role by Alfredo Kraus, admirably partnered by Lucia Valentini-Terrani as Charlotte, Gino Quilico as Albert and Christine Barbaux/Marie-Christine Porta as Sophie; alternates with Mussorgsky's Boris Godunov, conducted by James Conlon, with Nicolai Ghiaurov in the title role, Martin Mahe as Fiodor and Marie-Christine Porta as Xenia, at the Paris Opera. (742 5750).

Bill T. Jones – Arnie Zane and Company, the next wave of American modern dancing at the Théâtre de la Ville. (274 2277).

Cimarosa's Secret Marriage conducted by Cyril Diederich in Cologne Opera's production with Carlos Feller Michel Trempont as Geronimo and Michele Lagrange as Elisetta at the Opera Comique-Salle Favart. (296 0611)

LONDON

Royal Opera, Covent Garden: Britten's Midsummer Night's Dream, not given in this theatre for several seasons, returns with a mainly new cast (Marie McLaughlin, Yvonne Kenny, Claire Powell, Robin Leggate, Jonathan Summers, Stafford Dean as Bottom) led by James Bowman's long-admired Oberon; Roderick Brydon makes his Covent Garden conducting debut. Further performances of the Cosi fan tutte revival led by Elizabeth Connell and Francisco Araiza, and conducted by Christoph Eschenbach. (240 1066)

English National Opera, Coliseum: The new production by John Dexter of The Sicilian Vespers, with Kenneth Collins, Rosalind Plowright, and Neil Howlett brings to London an opera of Verdi's middle period sadly underrated up to now; Mark Elder conducts. Further performances of the latest Rosenkavalier distinguished by three beautiful and well-contrasted leading female contributions – Sally Burgess' Octavian, Anne Dawson's Sophie, and above all the intense yet always aristocratic first Marschallin of Josephine Barstow. (836 3161)

Royal Opera House, Covent Garden: A triple bill is followed on May 2 by Romeo and Juliet with Wendy Ellis and Ashley Page.

Dominion Theatre: The National Ballet of Cuba plays a triple bill with Alicia Alonso, venerable star of Cuban ballet, in a tribute to Maria Callas.

WASHINGTON

Metropolitan Opera (Opera House): The hundredth annual spring tour brings a fortnight's programme of seven operas, including Francesca da Rimini conducted by James Levine with Renata Scotto and Placido Domingo: Rinaldo, conducted by Mario Bernardi with Marilyn Horne in the title role; Thomas Fulton conducting Ernani with Ermanno Mauro in the title role and Jon Vickers in the title role of Peter Grimes conducted by David Atherton. Kennedy Center. (254 3770).

Music

NEW YORK

New York Philharmonic (Avery Fisher Hall): An elbow operation has sidelined Zubin Mehta for six weeks. Conductor to be announced for all-Brahms programme with Isaac Stern, violin (Tue); Gunther Herbig, music director designate of the Detroit Symphony conducts with soloist Peter Schreier, tenor. Mozart, Sutermeister, Bach, Britten (Thur). Lincoln Center (874 2424)

Carnegie Hall: Tenor Peter Schreier recital with Walter Olbertz piano. Brahms, Mozart, Schubert (Mon); Misha Dichter, piano recital. Schubert, Brahms, Liszt (Tue); Cleveland Orchestra, Erich Leinsdorf conducting, Kathleen Battle soprano. Bach, Mahler (Wed); I Musici, Pina Carmirelli, violin. All-Vivaldi programme (Thur). (247 7459)

Merkin Hall (Goodman House): Mi Ja Kang soprano recital. Classical and Korean songs (Mon) 67th W of Broadway (362 8719)

WASHINGTON

National Symphony (Concert Hall): Rafael Frühbeck conducting, Bob Brown puppets. de Falla, Brahms (Tue, Wed mat, Thur). Kennedy Center (254 3776)

CHICAGO

Chicago Symphony (Orchesta Hall): Sir Georg Solti conducting Janet Baker, mezzosoprano. McCabe, Elgar (Thur). (435 8122)

VIENNA

Japanese Oratorio Society, conductor Noriteru Hamada. Handel's Messiah: Musikverein (Wed) (658190)

Vienna Hofburg Orchestra conducted by Gert Hofbauer. Viennese waltzes and operetta. Hilton Hotel (Thurs)

LONDON

English Chamber Orchestra, conducted by Gustav Kuhn with Kiri Te Kanawa, soprano. Ravel, Berlioz, Canteloube and Schubert. Royal Festival Hall (Mon). (928 3191)

Academy of London conducted by Richard Stamp with Simon Fischer, violin, Sarah Francis, oboe and Julian Baker, horn. Mozart. Queen Elizabeth Hall (Mon). (928 3191)

London Philharmonic Orchestra and Choir conducted by Riccardo Chailly with Kyung Wha Chung, violin, and Birgit Finnilä, mezzosoprano. Wagner Dvorak and Prokofiev. Royal Festival Hall (Tue)

Paul Roberts, piano. Debussy and Ravel. Purcell Room (Tue). (928 3191)

Royal Philharmonic Orchestra conducted by Yehudi Menuhin with Jin Li, violin. Mozart, Elgar, Bruch and Beethoven. Barbican Hall (Wed). (638 8891)

London Symphony Orchestra, conducted by Claudio Abbado, with Maurizio Pollini, piano. Beethoven. Royal Festival Hall (Wed)

Royal Philharmonic Orchestra, conducted by Okko Kamu, with Shlomo Mintz and John Birch, organ. Strauss, Sibelius and Saint-Saëns. Royal Festival Hall (Thur)

Raymond Williams, guitar. Queen Elizabeth Hall (Thur)

English Chamber Orchestra conducted by Jeffrey Tate with Stephen Bishop-Kovacevich, piano. Mozart. Barbican Hall (Thur)

PARIS

Cycle Acousmatique Ina-Grm: Eloy, Roque-Alsina (6.30pm Mon): Smalley, Dufour (8.30pm Mon). Both concerts Radio France, Grand Auditorium. (524 1516)

Paris Opera orchestra with Herve Leloch as conductor and violin soloist: Mozart (Thur) Opera-Comique. Salle Favart (296 0611)

Orchestre Francais d'Oratorio: Honegger's King David (Wed 8.30pm) Saint-Roch church – Tickets at door.

Barbara Hendricks recital (5.30pm Thur): Faure, Poulenc, Liszt, Negro spirituals. Théâtre de la Ville (274 2277)

Ensemble Orchestral de Paris, Aimee van de Wiele, Harpsichord; Jean-Pierre Wallez, violin; Peter-Lukas Graf, flute: Bach (Thur). Salle Gaveau (563 2030)

Groupe Vocal de France: Lasusa, Debussy, Xenakis, Messiaen (Thur 8.30pm) Saint-Louis-en-l'Isle church – tickets at door.

Camerata de Versailles: Stravinsky, Moss (Thur 8.30pm) Mûsée Guimet – tickets at door.

ITALY

Rome: Teatro Olimpico: Piazza Gentile da Fabriano London Sinfonietta, Mozart, Holst, Stravinsky and Schoenberg. (Wed) (392304)

Exhibitions

LONDON

The Tate Gallery: the Pre-Raphaelites. The extraordinary revival of interest of Victorian art in recent years, and its consequent rise in value, has made a proper critical re-evaluation long overdue; and now, with this copious and quite splendid exhibition, the subject is wide open. What had for so long been taken as merely a close and limited movement is clearly shown to be not so except in its earliest year, but rather a looser association of more general relevance. Millais, Maddox Brown, Holman Hunt, Rossetti and Burne-Jones all gain by the chance to be seen on their individual merits, and so emerge as substantial and consistent artists in their own right. The history of British art will never read the same again. Ends May 28.

WEST GERMANY

Cologne, Wallraf-Richartz-Museum, An der Rechtschule: Fifteen paintings by six Dutch masters of the Utrecht school of painting dating from the 17th century, on loan from the Utrecht Zentralmuseum. Ends May 20.

NETHERLANDS

Hans Koper: An exhibition of the ceramics of this Dutch artist and craftsman, who died in 1981, can be seen at the Museum Boymans van Beuningen, Rotterdam, until May 20. Koper was well known in England, and the display is arranged in co-operation with the British Council and the Sainsbury Centre for the Visual Arts in Norwich.

PARIS

Camille Claudel: 70 sculptures accompanied by paintings, drawings and engravings prove the individuality of Rodin's pupil who, through her realism and, later on, a sense of the theatrical, found her own way. Mûsée Rodin. Closed Tue. Ends June 11 (705 0134).

Pierre Bonnard: an important retrospective of the painter whose canvases filled with colour and light glorify the beauty of the human body as he painted time and again Marthe, his wife, at her toilet, in her bath. His Mediterranean landscapes radiate the same joyous love of nature. Centre Georges Pompidou (278 7995). Closed Tue. Ends May 21.

TOKYO

Gandhara Art of Pakistan. Seibu Museum of Art displays 140 of the most important works from major museums in Pakistan, including Buddhist sculpture, metalwork and daily objects. Ends May 6.

German Expressionist Painting, Kamakura Museum of Modern Art. Part of the Buchheim Collection currently on tour includes works by 20th century German artists Karl Schmidt-Rottluff, Otto Müller, Max Beckmann, Otto Dix, Lionel Feininger. Ends May 6.

WASHINGTON

German Expressionist Sculpture (Hirshhorn): This is the first comprehensive look at works in plaster, bronze, wood and porcelain from the first two decades of this century in Germany. Included in the show of 33 artists and 120 sculptures are Max Beckmann, Emil Nolde, Wilhelm Lehmbruck and Ernst Barlach. Ends June 17.

NEW YORK

Picasso: The Last Years (Guggenheim): A show of one per cent of Picasso's last decade of work still has 200 pieces in it, showing a restless spirit trying to capture the last personal vision by dint of sheer energy working at a furious pace. Ends May 6.

Painting in the South (National Academy of Design): Nearly four centuries of work from the American South in 110 paintings include Charles Willson Peale, Winslow Homer, Edward Hopper and Arshile Gorky. Starting with a watercolour, Indians Dancing Around a Pole, from 1585, the show covers the gamut of genres from seascapes and landscapes to portraits and modern works to 1980. Ends May 27.

ITALY

Rome: Accademia di Francia (Villa Medici): In 1884 Claude Debussy won the coveted Prix de Rome, which allowed artists and musicians to study in Rome for two years. He said ungratefully: "Rome is a really ugly city, full of marble, fleas and boredom". He described his room in the entrancing Villa Medici as an "etruscan tomb". The city, forgivingly, celebrates the centenary of his stay with an exhibition, Debussy and Symbolism. His symphonic poem, La Mer, was composed while staying at Fiumicino near Rome. Ends June 3.

Venice: Palazzo Fortuny: Hollywood Photographers 1921-1941: More than 100 photographs, not all flattering, of well-known actors and actresses. Ends June 24.

BRUSSELS

Treasures for the Table: Gold and silverware, porcelain and glass from Vienna, Paris and Brussels, including part of the solid gold service made for the Empress Maria Theresa and Louis XV's Sèvres service offered to her to commemorate the Franco-Austrian alliance. Credit Communal Passage 44 until June.

Art and Sport: 300 paintings, sculptures, drawing and photographs including Toulouse-Lautrec, Picasso, Magritte, Leger, Delaunay, Hockney. Palais des Beaux Arts. Ends June 3.

THE PROPERTY MARKET BY MICHAEL CASSELL

Stockley's star team sets sights on a sparkling future

JUST OVER a year ago Stuart Lipton quit one of the UK's brightest and most ambitious property development teams and walked off into the shadows to "mess around" on his own.

His mystery departure raised eyebrows around the City of London and led to a wave of speculation over the reasons behind it, ranging from major policy differences with his colleagues at Greycoat City Offices to the state of his health.

Now, the co-founder and former joint managing director of Greycoat is back on the property scene with a new pack of influential friends. There is no doubt that he fighting fit and threatening to make a previously impressive career look like a practice session for what lies ahead.

Lipton, widely regarded as one of the most imaginative and technically competent developers in the business, has stepped back under the spotlight almost as quickly as he disappeared.

In the last few month, the 41-year-old former estate agent has helped orchestrate the smart, last-minute reincarnation of a quoted property company, established a private development vehicle of his own, assisted in several clever property aquisitions, and picked up one of London's biggest-ever office building projects.

In Lipton's own words: "I had no intention of having so much on my plate so quickly. But that's the way it goes."

Exactly how it goes from now on promises to be a major preoccupation for property watchers, who never really believed that a man variously described as "a hopeless workaholic" with "a frightening impatience factor" could ever fade away.

Despite his age, Lipton seems to have been around for ever. Together with Geoffrey Wilson, he built up and sold Sterling Land—one of Jim Slater's favourite developers—to Town & City in 1973. Three years later, they and Ron Spinney started Greycoat, and in 1978 merged it with Chaddesley Investments to bring it to market.

Moving fast

By 1981, Greycoat was moving fast and paid £39m for City Offices, a sleepy but sound property company which offered a handy asset base to the high-flying group with a reputation for blockbuster projects.

Lipton was the man who sought out and set up most of Greycoat's biggest and best-known schemes. Like the 500,000 sq ft Cutlers Gardens office development, buit in a dodgy location on the edge of the City of London but now full to the brim with tenants; like Finsbury Avenue, the ultra-modern, consortium-funded office scheme undertaken with Godfrey's Bradman's Rosehaugh; like the impressive £70m Victoria Plaza complex nearing completion over London's Victoria Station.

One of Lipton's last initiatives at Greycoat was to arrange the joint purchase of an ageing office tower in Manhattan which promises a big uplift in income after recent refurbishment. Other deals were in the pipeline, but Lipton was not to be involved.

There was, he insists, no hidden drama behind his decision to break away from the team which had worked together so well for so long. "I simply wanted to take time off because I thought I was in danger of going on forever. But I couldn't simply leave everyone up in the air by saying I'd be back a bit later. It had to be a complete break."

So Lipton left to do his messing around. He went to the U.S., where he did some homework on construction management, and he also spent time at the Royal Institute of British Architects, where he is an adjudicator, and with the National Trust.

But, by last autumn, the mounting problems of Trust Securities, the property company headed by Peter Jones, had caught Lipton's eye.

Ambitious

Jones, another one-time estate agent and former joint managing director of Compass Securities, brought Trust Securities to the stock market in 1980. Six months later he revealed plans for a 1½m sq ft science park close to Heathrow airport.

But his image as a fast-mover took a knock on the chin with a wildly ambitious and abortive bid for Percy Bilton, the property and construction group. From then on, the company appeared increasingly shaky on its feet and more like the prey than the predator.

Lipton went to see Jones, and says he was struck by the enormity of the problems which Trust faced (subsequently underlined in the 1983 losses of £7.4m) though impressed by the Heathrow scheme's potential.

"It was the ambition of Trust Securities to get planning permission for Stockley Park. My ambition is to build it. Trust acted as though the project was a goldmine and that they had mined the gold. Then they went out and spent its value on a lot of other things, many of them very poor."

Rescue bid

Lipton discussed a rescue bid with Elliott Bernerd, the 38-year-old chairman of Michael Laurie & Partners, the estate agents, and Jacob Rothschild, whose RIT & Northern group had well-established business links with both men — and just about everyone else.

In November, a bid was launched at 15p — against a market price of 46p — and one of property's most formidable combinations took control of the feeble fledgling. Six months later, with a share price of 69p and a market capitalisation of over £70m, the renamed Stockley looks set for take-off.

The reputation of the three principal shareholders is fully reflected in the company's new management. Michael Broke, at 47 the oldest member of the team and full-time chief executive, was until January a managing director of J. Rothschild, where he was responsible for its property interests.

Broke is backed by David Peach, one of only two survivors from Trust Securities, who has been closely involved in the Stockley Park project from its beginning. Bernerd and Lipton join Francois Mayer of Charterhouse J. Rothschild and Roger Seelig of Morgan Grenfell as non-executive directors, while Ron Peat will take the chair in June, when he steps down as chief executive of Legal and General.

The job of making Stockley Park a reality will fall principally to Lipton, who is to be paid an initial £50,000 a year and up to 2.4 per cent of all building costs, to project manage the scheme through Stanhope Securities, his new private company.

He is clearly anxious to get back into the developers' seat, happy to concede that Bernerd is the financier and that he is the "nuts and bolts" man.

"We are going to build a business park to beat them all. It will set new standards of excellence, and we will offer a preferred list of architects for tenants to choose from, people with whom we can work.

"The essence of the deal is that, in return for planning consent for 75 acres of high-quality, mixed development, the local authority gets 250 acres of landscaped land and extensive leisure facilities."

A planning application has been submitted for phase one of a project which could ultimately soak up £100m — the Universities Superannuation Fund still wants its option to provide a big chunk of the development finance. Work should begin next year.

But the Heathrow project is inevitably long-term and Stockley has wasted no time in securing earlier profit sources and asset growth.

Confusion

Earlier this month it pulled off something of a coup in picking up an impressive portfolio of West End properties, wrested away from one of London's oldest landlords and most reluctant vendors.

In a series of rapid transactions which seemed to leave everyone but Stockley confused, Sir Richard Sutton Settled Estates agreed to sell some of its West End freeholds to Amzar Investments, a Curacao-based company, for about £19m. Amzar, advised during the purchase by Michael Laurie — Bernerd's estate agency — almost at once decided to sell on to Stockley, which purchased the properties through Morgan Grenfell via a share issue and placing.

All the properties involved offer imminent or medium-term reversions and nowhere is the potential for rental uplift more apparent than in Piccadilly, where Stockley has picked up 168,000 gross sq ft of mixed floorspace — including the Cavalry and RAF Clubs — which now manage to yield the princely sum of £40,540 a year.

Lipton says other acquisitions will be made soon and that Stockley — in true Greycoat style — will stick to London and the south-east and mainly to offices. The U.S., he adds, will no doubt figure in future plans.

But Lipton also has other challenges on his plate — and they do not come much bigger than the proposed £250m redevelopment of London's Liverpool Street and Broad Street stations.

In March, it was announced that, through Stanhope, Lipton had again teamed up with Godfrey Bradman at Rosehaugh to tackle the scheme, which had earlier defeated Wimpey and Taylor Woodrow. Bradman's track record for minimising risk and providing large, speedy returns, together with Lipton's development skills, would indicate a much happier outcome.

Lipton accepts that Liverpool Street will add to an already massive workload but emphasises that he and Bradman—"a good friend and a very clever financier"—were working on it before Stockley came along.

But, whatever project Lipton finds himself on, the general philosophy will be the same. "I am a conservative developer, building at tomorrow's costs and today's rents. I am determined to achieve quality in the firm belief that the best buildings get the best results. It's a very simple philosophy but people think you are being very gracious when you say it.

"How many of our major property companies have portfolios of true quality? You could count them on a couple of fingers. We intend to create another in the shape of Stockley."

Lipton has strong views on the role of good design in a modern environment. "Architecture once had a traditional role to play in the country's social structure. When people like Cubitt and Brunel were building, there was an air of patronage and social improvement. There is very little of that left and it needs to be recreated.

"Many architects today are simply incompetent, though the client invariably also needs educating in assessing and articulating his requirements. There is a mood in the air to tackle these challenges and we intend to play our part."

Lipton believes that, at its best, property should be simple but fun. It should be fun watching Stockley from now on.

INTERNATIONAL PROPERTY

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Cutbacks at British Steel

SINCE nationalisation in 1966 taxpayers have supported the British Steel Corporation to the tune of £12.4bn (in 1982-83 prices). Despite drastic surgery since 1980 the central problem still facing BSC is the need to bring capacity into line with demand. *Unless this is achieved*, the corporation will remain a burden on taxpayers for the foreseeable future.

So much the House of Commons Trade and Industry Committee seems to accept in yesterday's report on BSC's prospects. Yet, having squared up to this central issue, the committee nevertheless finds itself unable to propose any action that BSC might take to reduce capacity.

BSC's management is in no doubt about what to do. Its expected trading loss in 1983-84 of less than £181m is a big improvement on last year's £386m loss. However, Mr Bob Haslam, BSC's chairman, knows further progress towards the breakeven which the Government is seeking is improbable while BSC's plants run at only 60 or 70 per cent of capacity. The corporation reckons the best way to restore profitability is to close one of its three strip mills—Ravenscraig is the obvious choice.

Losses

This would save about £90m a year and more than offset the losses incurred by using three mills. But the closure—which BSC is likely to propose in its new corporate plan—would contravene existing government policy.

The committee has three arguments to support its opposition to irreversible capacity cuts. None, ultimately, is convincing. The first is that the mills have different characteristics—for example, only Ravenscraig is capable of making the extremely pure steel needed in North Sea construction work—and that since some customers would not be willing to transfer from the closed mill to the two in production, BSC would lose market share. (After Llanwern, for example, Ford of Europe might prefer a non-British source.) This has happened after past closures but BSC maintains that this time it would keep almost all its customers.

The second objection concerns future demand. Is BSC, despite its good short-term forecasting record, unduly pessimistic about medium and long term prospects? While two mills might have difficulty meeting a 10 per cent increase in demand—as occurred in 1983—most of BSC's exports are outside the EEC and at uneconomic prices, so it would have sufficient scope with two *mills* to break into more profitable EEC markets—where its export showing is very poor. It should also be remembered that the European steel market is itself in secular decline.

The third objection brings in the European dimension more fully. The committee argues that BSC is now one of Europe's most efficient producers, and the one that has so far made the biggest capacity cuts. This is fair comment but the British home market has also declined the most sharply, while BSC was initially among the least efficient producers. A further complaint is that BSC's European rivals benefit from hidden energy and transport subsidies.

But refusing to make capacity cuts until other EEC producers honour their retrenchment commitments is a doomed strategy. Every European producer deludes itself if it thinks it can keep a little excess capacity without its rivals doing likewise. The net result would be a lot of excess capacity and further losses all round. Even if, by acting now, Britain does end up with a slimmer steel industry than most of Europe, this would not necessarily be against the national interest: prospective returns in steel are lower than in many alternative industries. Equally, it makes no economic sense for Britain to emulate its rivals' wasteful covert subsidies.

Commands

One of BSC's main headaches is its lack of operational autonomy: it has to heed sometimes conflicting commands from Brussels and Whitehall. The industry is no longer the size it once was and will inevitably be squeezed further by Far Eastern competition. It is anachronistic that ministers should still be involved in its strategic decisions. The Government should give BSC the freedom to adjust capacity to demand as it thinks fit: the closure of one of BSC's *strip* mills should therefore not be ruled out. The lesson from the past is that delaying difficult decisions only makes the eventual adjustment more painful.

Hidden cost of helping exports

THERE IS nothing especially meritorious about being an exporter, even in a trade-dependent nation like Britain. Thriving export industries do of course help maintain the standard of living to which we have become accustomed—but then so do importers, even if their contribution to the economy is never honoured with Queen's awards.

The exporting fraternity has always been favoured: even the present government, committed as it is supposed to be to the free play of market forces and rapid restructuring of British industry, has a strong mercantilist streak.

So yesterday's cry of pain from the National Economic Development Office and the Confederation of British Industry about a Whitehall economist's critique of export subsidies for capital goods suppliers was only too predictable.

Debate

In broad terms, the government economists under Mr Ian Byatt, deputy chief economic adviser to the Treasury, concluded that interest rate subsidies and soft credits via the aid programme were a discriminatory, inefficient and expensive use of taxpayers' money.

The first point to be made is that this debate should have taken place months ago. The Byatt report was completed at the end of 1982, but not released until the end of this January. Its main purpose was to arm the Government for negotiations in the OECD about how to check the race to provide ever-cheaper fixed-rate credit to developing countries. At the time Byatt reported, Britain was spending nearly £600m annually to make up the difference between OECD "consensus" rates and the commercial cost of money. But since last autumn, thanks largely to U.S. pressure, the OECD has closed the gap and installed a mechanism to ensure that it remains reasonably narrow.

If the context of Byatt's report has changed, the crux of his argument has not. This is that there is very limited justification for the view that Britain must automatically match the ploys of its competitors in order to maintain a presence in the worldwide power, construction and process plant markets. It is the fear that Britain might unilaterally disarm that lies behind the present furore.

The UK has set aside some £50m or 12 per cent of its current bilateral aid budget for project-related handouts to help secure orders in the Third World. The acknowledged leaders in this game of mixing credits with aid are the French and perhaps *the Japanese*. The U.S., which is fiercely anti-subsidy in principle, has recently entered the lists but for reasons of which Byatt would approve—namely to threaten the rest with unbeatable competition should they push the game too far. As Byatt notes, if subsidised foreign competition is the rule not the exception, then governments will have to support future as well as current capital goods exports.

The big contractors and *their suppliers, the main beneficiaries* of this export support, are entitled to challenge Byatt's conclusion that the spin-off for Britain from large overseas orders is relatively small and the cost of keeping their employees at work inordinately high. They may continue to convince governments that theirs is an industry deserving special treatment.

Subsidies

But they cannot escape the *question of how far Britain can* really afford to match the profligacy of others. Nor can they seriously wish to live in a world of phoney competition for overseas projects of often questionable value.

It would be unrealistic to expect any government to take Byatt's recommendations too literally. The dislocation to British industry and jobs caused by unilateral withdrawal from the subsidy game might be rapid and far-reaching. If Britain *wants to stay in the* project business, taxpayers will have to pay the price. But the Government should keep export subsidies on a tight rein and do its level best to ensure that the OECD, having successfully tackled interest rates, puts a stop to the mixed credit spree.

CREUSOT-LOIRE

The struggle for survival

By David Housego in Paris

THE FINAL countdown has begun for Creusot-Loire. France's leading heavy engineering group has now three months in which to draw up a new restructuring plan if it is to stave off bankruptcy.

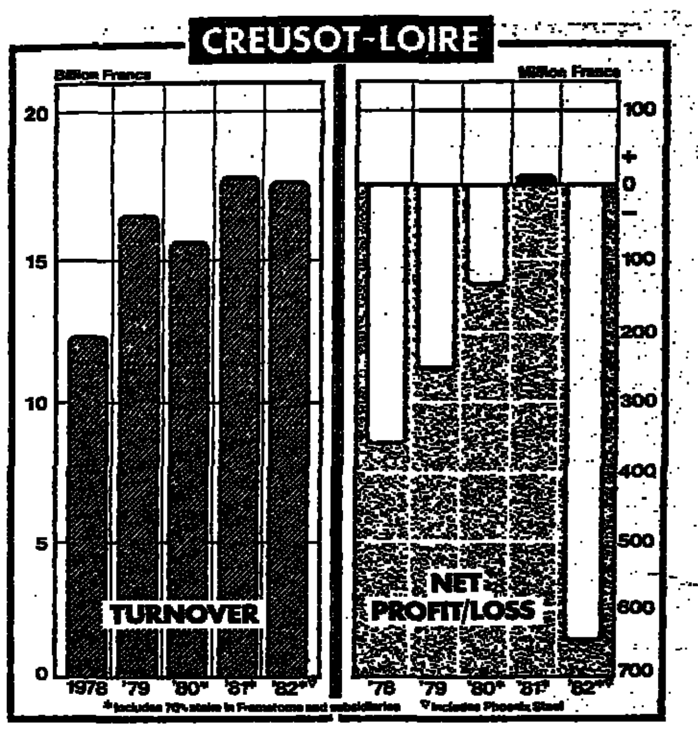
The decision by the board to seek temporary protection from the firm's creditors means that Creusot-Loire is the first major French private group to have been brought to its knees by the recession. The company employs 29,000 people and has a turnover of more than FFr 17.5bn (£1.5bn). The comparison being drawn in Paris yesterday was with the collapse of AEG-Telefunken, the West German electrical group. It is *also the first time that the* French Government has allowed one of the flagships of French industry to be drawn before the courts because of its financial troubles in a way that could be damaging to its worldwide reputation.

Nobody actually believes that Creusot-Loire will go into liquidation. The French nationalised banks are already too deeply involved in its affairs and the group has profitable planks in its energy and rail transport divisions. But, equally, the *French Government* does not want to be seen to be bailing out a major private company whose difficulties it largely blames on past errors of management. In that sense the joint decision on Wednesday by M Jacques Delors, the Finance Minister, and M Laurant Fabius, the Industry Minister, to refuse fresh financial aid is a symbol of its new, less interventionist approach.

It also reflects the determination of the Government not to repeat its bitter experience on taking office of nationalising loss-making groups.

Under French judicial procedures, it is now a court official working with Creusot-Loire who will have the task of checking that additional rationalisation measures go far enough to stem its losses and provide the FFr 3bn in equity capital that Creusot-Loire needs to get back on its feet. The group, which has already exhausted its shareholders' funds, said on Wednesday that its net asset worth was now substantially negative.

PINEAU-VALENCIENNE
Creusot-Loire chairman



JACQUES DELORS
French Finance Minister

The next three months thus provide a breathing space in which the Government, the banks and Creusot-Loire's shareholders will be involved in a bitter struggle over the company's future. But the major battle already shaping up is between the Schneider group, which has 55 per cent in the holding company controlling Creusot-Loire, and the Government. After the Government announced that it would not provide more cash, the Schneider board shot back on Wednesday night by saying that it no longer saw itself bound to provide a FFr 200m capital increase for Creusot-Loire agreed in November as part of Schneider's FFr 720m contribution to the FFr 6bn rescue package signed at the time.

The Government believes that the Schneider group—itself a mammoth engineering conglomerate in which complicated crossholders disguise the real ownership—is holding back on providing fresh funds in the belief that the state will step in instead. Schneider maintains that its own shareholders' funds have already been drained by Creusot-Loire's difficulties.

Short of unexpected concessions from the Government or the banks, Creusot-Loire is likely to be forced into a number of unpleasant actions. The first is further cutbacks in its 29,000 workforce. M. Didier Pineau-Valencienne, the company's chairman, announced 4,000 job losses last year and said that a further 6,000 were at risk. But since then the group's difficulties have worsened with the downturn in the capital goods market and an unexpectedly weak order book last year.

The second measure is likely to be further asset sales to raise cash. An independent report recently commissioned on the group's operations identified as one of its two main sources of weakness, the collapse of shareholders' funds. M Pineau-Valencienne, has already taken the asset sale trail in selling in November 20 per cent of Creusot-Loire's 70 per cent stake in Framatome, the nuclear reactor company.

A possibility now must be the shedding of its profitable turbine manufacturing subsidiary Neyrpic.

The third measure is one that the group has already itself proposed. Its remaining steel activities—Phoenix Steel of the U.S., the manufacturer of heavy plate for the nuclear industry and its foundries and forges to Creusot for its heavy engineering division—had a major role in last year's losses. Creusot-Loire would like to be rid of most of them.

It also wants — a fourth element in any further rescue package — to renegotiate its stake in Framatome whose future now looks less rosy with the cutback in the French nuclear programme.

M Pineau - Valencienne believes that the group can return to profit in concentrating on its "hard core" activities, nuclear engineering, hydraulic power, high-speed trains and metro equipment, gas compressors, and specialised military materials. The Government accepted this view in November but M Pineau-Valencienne's judgment has inevitably been called into question by the sharp deterioration in the group's prospects since then.

In his report to shareholders on December 21 last year M Pineau-Valencienne expressed his "confidence" in the group's "recovery." On Wednesday, in seeking temporary protection from its creditors, the Creusot-Loire board announced losses of FFr 1.8bn last year—some FFr 400m worse than anticipated. The company expects a further FFr 700m deterioration this year.

M Pineau-Valencienne is at the eye of the storm because he is both chairman of Creusot-Loire and of the Schneider group. A quietly-spoken graduate of the Harvard Business School and a firm believer in American style management, he took over Creusot-Loire in 1982 in an effort to stem losses by exerting greater financial discipline. He had been appointed head of Schneider only two years before. Creusot-Loire's long-term problems have been mainly due to its heady expansion into too many fields. One of its most serious errors was its costly invesment in Phoenix Steel of the U.S., which has also temporarily sought protection from its creditors under Chapter 11 procedures.

Since the end of last year M Pineau-Valencienne has been reorganising the company to give it more of a U.S. style structure. This has involved creating new divisions based around the group's main activities, each operating with more autonomy and under a central holding company.

Before embarking on this, M Pineau-Valencienne conducted the tightrope negotiations with the banks and the Government which culminated in the FFr 6bn package in November. He said at the time that FFr 8bn would be needed and warned the Government that without adequate funds the company would have to file for bankruptcy. His threats were thought to have a large element of bluff.

Of the FFr 6bn, over FFr 2bn came from the nationalised banks and the Government in the form of subsidised loans. The rest was provided through asset sales, including the hiving off of much of the group's steel division, to the two state owned groups—Sacilor and Usinor. Schneider also agreed to put up FFr 720m in increased capital by 1986 and to guarantee FFr 300m of subordinated loans.

Since the latest crisis broke a month ago, the group has indicated it would need a further FFr 2-3bn cash injection. This figure is based on what it considers the size of the losses it made on its steel activities between 1978-83 as a result of the Government not providing Creusot-Loire with the assistance given to other steel groups.

A FAR CRY FROM THE HEADY EXPANSION OF THE 1970s

CREUSOT-Loire is known around the world mainly as a major builder of steel plants, but its main base in France—and the source of most of its problems—has been in steelmaking.

As late as 1982, the group derived a fifth of its turnover from steelmaking, a sector that was in severe crisis in Europe and in which most producers were government-controlled.

Last autumn, when Creusot first threatened to seek protection from its creditors, most of its steel activities were taken over by the state controlled groups, Sacilor and Usinor.

In recent weeks, the process plant subsidiaries, Creusot-Loire Entreprises and Clecim, have been acquired by another government controlled company, Technip, a big project engineering group.

The group's main remaining businesses are in nuclear plant contracting, hydraulic turbines and railway equipment. All are in partnership with other groups and so any restructuring is likely to occur internally or by bringing in new shareholders.

For example, Creusot has a 50 per cent stake in Framatome, the nuclear power plant construction company. The remainder is held by the French atomic energy authority. It seems likely that Alsthom - Atlantique will be interested in buying at least part of Creusot's stake.

Similarly, there is likely to be an internal solution to Creusot's participation in Francorail, the French railway equipment manufacturing concern that makes, among other things, the French high speed (TGV) trains. Creusot shares a 50 per cent stake in Francorail with Jeumont-Schneider, which, like Creusot, is part of the Empain-Schneider group, and MTE.

The group will probably try to hang on to its other large businesses, such as SMF International, which makes oil exploration equipment.

Although it has sold off its plant contracting and engineering business, the group is also left with a lot of plant manufacturing capacity, notably for heat exchangers, compressors and pressure vessels.

World markets for process plant remain very depressed and it is unlikely that there will be any reasonable alternative to closing these operations.

All this is a far cry from the Creusot-Loire that was created in 1970 through the merger of two large metal working and heavy equipment groups with major interests in special steels, shipbuilding and machine tools.

In 1972, it joined up with Westinghouse of the U.S. to create Framatome, a company that would be the sole contractor for building nuclear power plants in France.

That privileged position was threatened in 1973 when the Belgian Empain-Schneider group raised its holding in Creusot to 34 per cent.

For a while, it looked as if this foreign ownership might compromise the future of Framatome's French government contracts. Creusot's rival, Compagnie Generale d'Electricite, proposed carrying out the nuclear programme in partnership with General Electric of the U.S. However, the matter was resolved when France's atomic energy agency took a stake in Framatome, enabling it to make sure the company was working in line with the state's wishes.

By 1975, Framatome had orders for nearly FFr 7bn, as France's nuclear programme picked up speed, and contracts worth over $3bn were won in Iran. Creusot group sales reached FFr 10.6bn in 1977 compared with FFr 2.6bn in 1970.

Meanwhile, Creusot as a whole was also growing rapidly. Group sales rose to FFr 10.6bn in 1977 compared with FFr 2.6bn in 1970. An international expansion programme was underway and the group bought a small U.S. steel company in 1973 and then Phoenix Steel, a U.S. tubemaker, in 1975.

Things started to go wrong in 1978, mainly because of the recession hitting the steel industry, and the group lost FFr 155m after breaking even the previous year. Ever since, the group has been struggling to rationalise its steelmaking activities.

Ian Rodger

Men and Matters

No regrets over the Bristol

The hotel business hates what it calls "regretting." In layman's terms that is when managers have to regretfully turn down bookings because there is no room at their inns.

It has been happening all too frequently in London recently as demand for hotel rooms has soared, helped by the strong U.S. dollar *and some rays of* economic sunshine over Europe.

David Woodwood, aged 35, the head of operations for Holiday Inn in Europe (he runs 62 hotels from his Chelsea office) says the emergence of regular "regretting" is a prime reason why his group has paid £5m to Trafalgar House for the Bristol Hotel in Piccadilly.

Holiday Inn badly needs the extra accommodation the Bristol wil give it—nearly 200 bedrooms in the upper end of the four-star bracket in central *London. Woodward is starting a* crash refurbishment programme while the ink is still wet on the legal documents. He expects to spend £1m on the Bristol this summer converting bedrooms to Holiday Inn specifications.

Woodward's booking managers have had to turn away about £50,000 worth of London business a month recently because the 700 rooms in the group's existing inner London hotels have been insufficient to meet demand.

The average rate for a single bed for one night in a four-star London hotel is now between £48 and £55 a night. But the price level is not deterring American visitors.

Amateurs out

The staff of the Observer is being stretched as it tries to monitor developments concerning two races important to that *newspaper — as well as getting* on with reporting other news of the week.

The race to be the next Observer proprietor — Will Robert Maxwell win; will Tiny Rowland sell up? — is being run in parallel with late preparations for the 1984 Observer singlehanded transatlantic race, which starts from *Plymouth on June 2 for the* usual Newport, Rhode Island, finishing line.

The common thread in the two events is the rise of commercialism. Owning the Observer clearly is not a pastime for an amateur these days. And the same can be said for racing across the Atlantic under sail.

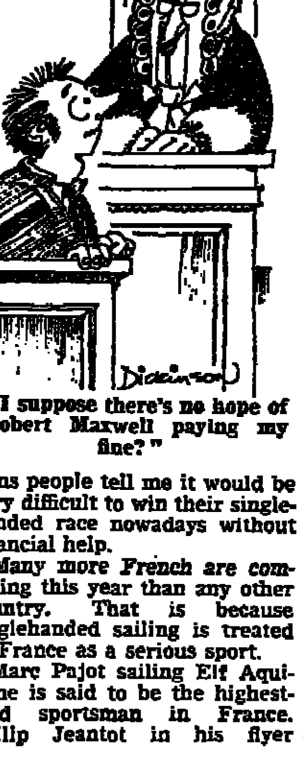
Indeed, the Observer promotions people tell me it would be very difficult to win their singlehanded race nowadays without financial help.

Many more *French are competing* this year than any other country. That is because singlehanded sailing is treated in France as a serious sport.

Marc Pajot sailing Elf Aquitaine is said to be the highest-paid sportsman in France. Philip Jeantot in his flyer Credit Agricole is being sponsored through a three-year *racing campaign by the bank to* the tune of FFr 4m.

The French look upon the Observer race as the Grand National of sailing — all their boats in class one (the biggest boats) are sponsored and the jockeys are only interested in winning.

Among the British some competitors are taking part for the gentlemanly reason that, frankly, they enjoy it, although they have no hope of winning.



"I suppose there's no hope of Robert Maxwell paying my fine?"

Safe forecast

Nationalised French companies these days are spared the sometimes painful business of giving financial forecasts to critical inquirers.

At a financial analysts' meeting in Paris this week Loik Le Floch-Prigent, chairman of the chemicals group Rhone-Poulenc, was asked what would be the company's profits for 1984.

He responded with this less-*than-illuminating* but entirely logical reply, "If the first quarter trends continue then the result for the year will probably be in line with the first three months."

Britannia factor

Life on the ocean wave is proving highly agreeable to Britain's traders in "invisibles."

New business worth some £300m has been identified since members of the British Invisible Exports Council laid on a seminar and a one-day cruise for 80 business guests in the Royal Yacht Brittania off Stockholm last spring during a royal visit to Sweden.

The invisibles men—representing banking, insurance, trading, financial services, and technical services — first borrowed the royal yacht when the Queen and the Duke of Edinburgh visited Italy four years ago.

Total business to result from contacts made on that day trip off Naples was later calculated to be worth more than $500m.

Now the council believes that the final figure for business *struck while Britannia sailed* off Stockholm will be far higher.

It will include several Anglo-Swedish co-operation deals to finance projects in developing countries, banking co-management arrangements, and deals to assist Swedish industry and commerce with British financial expertise.

William Clarke, director general of the British Invisible Exports Council, is understandably pleased that so much business has come from a few hours at sea — and they were calm seas. He hopes the palace will extend further help to the City: "We do hope that the use of the royal yacht in this discreet way will be a regular feature. She is ideal for the purpose."

Britannia has never served in her secondary role as a hospital ship. And I don't suppose her designers ever thought she would be a success as a bank parlour in her old age.

Travel insurance

Conversation in Japan — a booklet issued by a New York travel agent to help its clients —is determined that they should get the best, as the following extracts show.

"My name is ——— and I have booked a room . . . Don't you have anything cheaper/better?"

"Please give me a cleaner room . . . There is no hot water."

"Please show me all the bills I have signed . . . This is not mine."

Finally, "Please refer me to some other hotel . . ."

Observer

SIKH EXTREMISM

'Violence is morally right'

By John Elliott in Amritsar

IN THE same village of Lapokes, near Amritsar, 30-year-old Sumeed Singh, a left-wing writer and member of a well-known Sikh family, was pulled from his scooter and machine-gunned to death by Sikh terrorists because he looked like a Hindu, having shed his turban, and cut his hair.

In Delhi Mr Raunaq Singh, a prominent Sikh industrialist, is heavily guarded on the advice of the Government. He argued on Indian television for Sikh-Hindu harmony, since both groups are primarily Indian. He said two of his sons have cut their hair and his daughter has married a Hindu. He immediately received threats to his life.

Events like these have become commonplace in the north of India in the past few months as the pace and intensity of Sikh terrorism and violence has escalated into possibly the most terrifying and intractable of the many volatile sectarian and religious disturbances that regularly break out in India.

The Golden Temple, Amritsar

Mrs Gandhi risks losing support among Hindus

So far Mrs Gandhi's Government has failed to act effectively, presumably hoping that, as often happens in India, the problem would solve itself once enough blood has been spilt. The Punjab police are demoralised, intelligence reports are inadequate and the Government refuses to send para-military troops into the Amritsar Golden Temple headquarters of the Sikhs for fear of the violence that would erupt. Nor has it yet had the confidence to produce a peace formula—two of its initiatives in the past two months having literally been blown up by terrorist violence.

A long-running campaign by Sikhs for religious recognition and for more autonomy in their home state of the Punjab has been turned into a fervent religious movement which does not tolerate deviation from a strict code. Its tactic is to spread terror among Hindus—including death threats to the Prime Minister, Mrs Indira Gandhi, and her son Rajiv—and among moderate Sikhs.

More than 180 people have been killed in the past five months. Mr Madan Mohan Wali, Secretary of the Delhi Home Ministry, estimates that it will take up to two months to "break the backs" of the 400 to 500 hardcore terrorists. The question being asked in Amritsar is whether the Government can afford to take that long.

"These are Sikh warriors historically trained to take revenge. Violence for Sikhs is morally right," says Dr Subramaniam Swamy, a leading opposition politician who visited the Golden Temple this week. "Sikhs never give up and once these people really get radicalised there'll be endless trouble."

Outside the temple a series of cheap tape cassettes are on sale made by Sant Jarnail Singh Bhindranwale, the 37-year-old village priest who has become the militants' leader. "Everyone should have a gun, a pistol, and 200 grenades and don't bother with a licence" is the tapes' message in the Punjabi language.

Asked if he organised the killings, Bhindranwale replies, "I organise for justice—you can draw your own conclusions." He speaks sitting on the roof of one of the buildings in the Golden Temple, wearing a pistol and dagger and surrounded by heavily armed Nihang Sikhs, the sect's warrior class.

Mrs Gandhi's failure so far to grapple with Bhindranwale and his followers and with general law-breakers who are cashing in on the disorder to loot and kill is a major setback only eight months before the deadline for the country's next general election. The international image she has cultivated of the powerful leader of one of the world's largest countries is bruised. More important, she risks losing support among Hindus who make up over 80 per cent of the population.

The Sikh demands are one example of a key issue she has never wanted to tackle—devolving more power from Delhi to India's 23 major provincial states. Her determination to pull all strings from the centre has helped to increase regional pressure from opposition parties like the Sikh's Akali Dal party in Punjab, various parties that have won elections in the south, the Communists that rule West Bengal, and various pressure groups in Assam, Mrs Gandhi's other major trouble spot.

These pressures and outbreaks of violence often make Indian unity seem fragile to outsiders. In fact the unity is not threatened. As long as regional pressures are dealt with, there is no significant group in the country threatening to break totally away. Even Bhindranwale who promulgates what are called separatist demands says: "We want to live in India—let the central government decide whether they want to keep us."

The Sikh problem is specially significant politically because Punjab borders Pakistan, with which India is constantly at odds. Mrs Gandhi has been trying to deflect criticism by blaming Pakistan for aiding the Sikhs. Pakistan denies this, but people living near the border are sure that guns and ammunition are smuggled into India. Local people have noticed that well known smugglers have recently started dressing as Nihang Sikhs.

Elsewhere along India's borders Mrs Gandhi has so many problems that political observers wonder whether she will assert herself with some major initiative—a snap election or a change in the constitution to allow her to become a powerful president. Her aides deny this and she said this week: "I wonder which government can go before the people with an issue of violence."

On the border with Bangladesh, clashes have broken out in the past few days as India has started building a barbed wire fence to keep Bangladeshis out of the troubled state of Assam. In the south, Sri Lanka is accusing her of harbouring its Tamil terrorists and 13 people were killed last Sunday when a Sri Lankan naval patrol opened fire on an Indian boat in the straits between the two countries. Mrs Gandhi can to some extent influence the pace of many of these troubles. If she were suddenly to try to re-assert her authority now in some major political move, there are those in India who would suspect her of having had one eye on this possibility all the time.

There are signs, however, that she is preparing an initiative on the Sikh demands which broadly fall into three categories. First there are religious demands which the Government has started to meet, such as Sikh prayers being broadcast on All India radio and Sikhs being allowed to carry their small daggers—called kirpans—on internal Indian Airlines flights.

Second there are economic matters which can also be met with the agreement of other states and if the Government has the will. They include making the city of Chandigarh the capital only of the Punjab, ending an arrangement where it is shared with the neighbouring state of Haryana. Demands for sharing the waters of the River Indus and sorting out other border differences are also soluble.

Dr Subramaniam Swamy, after his stay this week in the Golden Temple, believes the Government should not get embroiled in any more negotiations which only spark terrorist violence. Instead it should announce a settlement covering the religious and regional issues plus implementation of the Government's offer to change Section 25 of the constitution so that Sikhs are identified separately from Hindus.

This, however, would leave unsolved the third issue which concerns relations between Delhi and individual states. With varying degrees of determination both Bhindranwale and Harchand Singh Longowal, the more moderate but less powerful president of the Akali Dal, say that the Punjab must have provincial autonomy apart from foreign policy, defence, currency and communications. They both said this week that without this no settlement was possible.

Mrs Gandhi, however, would not want to concede anything on this, arguing that she should wait for a report on what are called centre-state relations in general from a commission studying the subject. It is for this reason that politicians like Swamy say a package of concessions in other regional and religious issues should be announced. They hope that this would win such countrywide support that, coupled with strong security action against the terrorists, violence would have to stop.

Lawlessness in the Punjab and especially in Amritsar and neighbouring areas, has, however, reached such a level that it might not be so easily stopped.

The deaths and violence have involved not only clashes between Sikhs and police, and Sikhs and Hindus, but Sikh terrorism against moderate Sikhs and against Nirankaris, a non-fundamentalist group attractive to Hindus. Nearly 40 countryside railway stations were set on fire earlier this month by Sikh students protesting against a ban on their union. Some students have formed themselves into a new terrorist movement called the Deshmesh regiment after an

The economy of the Punjab is suffering

early Sikh guru and the Government admits it has rounded up only a handful of the ringleaders in 330 student arrests.

In Amritsar students and other Sikh youths rob houses and the Hindu owners are too scared to complain to the police.

This week near Amritsar I saw a blood splattered entrance hall of a house where a 37-year-old air force squadron leader was hacked to death across the back of his neck last weekend by Sikh thieves. People in their homes jerk nervously when they hear the sound of a motorbike, the terrorists' favourite mode of transport.

The Punjab economy is suffering, which is potentially serious because it contains India's richest farmland and is a seedbed for new businessmen. New investment in textiles and light engineering by Hindus is drying up and companies are expanding in neighbouring states instead. Companies report that buyers, salesmen and other visitors such as maintenance engineers are refusing to enter the state.

All this points up severity of the challenge facing Mrs Gandhi.

Lombard

Private jobs for public servants

By Robin Pauley

FOR EVERY Permanent Secretary that retires at 60 to tidy up the rose garden, another plucks the choicest blooms from a spray of lucrative company directorships. There is nothing very wrong about that and only occasionally any disquiet.

Nevertheless, there is a legitimate public and national interest in the transfer of senior public employees, privy to the most sensitive and secret affairs of state, to the private sector for large fees which could, conceivably, be construed as payments for contractually useful insider information.

There is, therefore, much to commend the inquiry currently being undertaken by a small sub-committee of the Treasury and Civil Service Select Committee into the acceptance of outside appointments by Crown servants. The fact that it comes only three years after a similar inquiry, shows that there is continuing concern, at least in Parliament, about this subject.

It is concern based not so much on the notion that there is widespread corruption afoot, but rather that, as in the case of audit or the judiciary, the system must not only be right and proper but must be clearly seen to be so.

There are already a number of rules covering the movement of members of the Civil Service armed forces and diplomatic service to the private sector. Since 1975 an advisory committee under the chairmanship of Lord Diamond has vetted applications from Permanent Secretaries and their equivalents, referred to it by the head of the Civil Service and the Prime Minister.

The Permanent Secretaries themselves, in consultation with their ministers and the head of the Civil Service, have been responsible for scrutinising applications of more junior civil servants within their departments.

To take Permanent Secretaries first, there is no inherent reason why people at the top of their chosen professions should suddenly be regarded as having nothing further to offer at the age of 60. There is, however, every reason to support 60, or younger, as the statutory senior Civil Service retirement age.

There is already a log-jam of mid-career, mid-rank talent whose promotion prospects are effectively blocked. Everything that can be done to free this jam, including some of the schemes for early full-pension retirement and public-private sector career exchanges, which work so effectively in countries such as Canada, should be considered urgently. This could form the basis of an equally useful inquiry by this select committee.

Permanent Secretaries are often a combination of departmental generalists and ministerial right-hand men (or hand holders) — the interface between Government and administration.

For them, the present rules and arrangements appear broadly satisfactory—although it might be wise to insist that every Permanent Secretary taking up employment within two years of retiring appear personally before the Diamond Committee, and that the composition of that committee be widened to include more people whose principal career has not been within the public service.

A more difficult topic is the movement of civil servants to the private sector in mid-career. Mid-rank civil servants have the detailed knowledge of sensitive negotiations or contractual arrangements and they could be highly desirable catches for companies involved in government contracts. This is at its potentially most sensitive in the area of defence. It is further complicated by the fact that moves by civil servants to companies in this sector could raise issues of public interest which are balanced by considerations of national interest in a field where industrial competition is fierce and largely international.

It might be prudent, therefore, to construct a broader vetting committee for all mid-career transfers from the Defence Department — civil servants, the armed services and research.

The trick is to strike the right balance between safeguarding the public interest in potentially sensitive areas and giving every encouragement to career movement.

Letters to the Editor

Confidence in nuclear energy

From the Company Secretary, British Nuclear Fuels.

Sir,—I can understand the concern expressed by Mr Stan Dean, president-elect of the Electrical Power Engineers' Association, about the effect of the recent Sellafield incident on the public's confidence in nuclear power. This concerns the company too.

However, straightforward comparisons between operations at BNFL's reprocessing plant and the CEGB's nuclear power stations of the kind apparently made by Mr Dean are misleading, because of the very different activities involved.

It is not surprising that radiation exposure levels to staff are higher in the reprocessing plant than in individual nuclear power stations, as 99 per cent of the radioactivity resulting from all UK power station operations ends up at Sellafield in the spent nuclear fuel sent there for reprocessing. In fact, occupational exposures at Sellafield have declined steadily.

A more appropriate comparison is that between the CEGB's nuclear power stations and the two Magnox power stations which BNFL operates, Calder Hall and Chapelcross. The standards of safety maintained at these two stations for more than 25 years are of the highest order, as borne out by the award to Chapelcross on three separate occasions of the British Safety Council's Sword of Excellence.

H. E. Bolter.
British Nuclear Fuels,
Risley, Warrington.

Accounting for inflation

From Mr R. M. Wilkins

Sir,—The Finance Director of GKN has questioned the usefulness of publicly accounting for inflation (April 10), noting Mr Lawson's comments on the reduction in the rate of inflation. However, it is not clear to me why he considers that investors and other users of published accounts should be deprived of this information, when he admits that it is necessary to recognise the effects of inflation in managing a business.

I note from GKN's recent annual report that group earnings calculated on the two alternative bases were as follows:

	1983	1982
	(£m)	
Historical cost	35.0	0.8
Current cost ...	16	(22)

Such differences can hardly be described as immaterial. In my view it is the current cost results which give a clearer picture of the performance of the business.

Who is interested in the historical cost of the house they bought 10 or 20 years ago? The most useful figure is the current cost or value today, and this must surely also be the case in business. Although inflation is now "only" around 5 per cent, many, if not most, businesses are still using assets brought 10 or 20 years ago, and the original cost of these assets is of little relevance in assessing the performance of the business today.

Prices in the UK have more than trebled in the past 10 years and even at 5 per cent per annum prices would increase by over 60 per cent in 10 years.

I hope, therefore, that whatever form Son of SSAP 16 takes, listed and other publicly accountable companies will indeed account publicly for the effects of inflation on their business.

R. M. Wilkins.
5, Colemere Gardens,
Highcliffe,
Christchurch, Dorset.

Small drug groups under threat

From the Managing Director, Hoechst UK

Sir,—I read Carla Rapoport's article "Small drug groups under threat" (April 24) with interest. While much of what she says may be correct, one of the main problems in pharmaceutical research and development is the reduction of effective patent-life to approximately eight years and a continuing trend towards further shortening.

Under such circumstances there is less and less motivation to undertake R and D at all, and certainly almost none to go for brand-new areas, where the risks are higher, the development time longer and the chances of recovering investment costs more or less zero.

However, if the patent life was restored to start with the product licence (even if this was somewhat shorter than the full 20 years), the incentive to research in novel fields would be restored and your quotes from the Jordan report would be true.

I feel this patent-erosion problem is basic to the future of real advances in therapeutic agents and has so far been largely ignored.

Brian W. Cromie.
Hoechst House,
Salisbury Road,
Hounslow, Middx.

Power engineers and privatisation

From The Deputy General Secretary, Electrical Power Engineers Association

Sir,—In your issue of April 19 the headline on an article reporting the proceedings at the Electrical Power Engineers' Association's Conference read "Power plant engineers warn of action to halt privatisation."

There was a very long debate on this subject and it was overwhelmingly concerned with the arguments to be used in bringing to the attention of the Government, Parliament and the electricity consumers the serious damage which the association believe denationalisation of the electricity supply industry might cause.

In the course of the debate the question was asked whether the association would take industrial action over this issue, to which the reply was given that this possibility had not been ruled out. It seems unfortunate that this small part of the debate became the focus of the report through your choice of headline.

On one further point the report describes the EPEA's members as having kept power stations going when all other unions in the industry have been on strike. I can recall no occasion when all other unions in the industry have been on strike.

The last occasion on which EPEA members kept power stations running when strike action was being taken by other staff was when unofficial action was being taken by certain National Joint Industrial Council members against their own trade unions.

Under those circumstances it seemed right to the association's members that the engineers and managers who run the power stations should have kept them going.

Simon Petch,
Deputy General Secretary,
EPEA.
Station House,
Fox Lane North,
Chertsey, Surrey.

Miners' strike ballots

From Mr C. J. Carter

Sir,—In his article (April 24) on the inevitability of coal strikes, Philip Bassett does not point out what was to me the most interesting aspect of the record of voting in nine strike ballots.

In none of these ballots did the voting *for* a strike yield a Yes vote between 50 per cent and 55 per cent, so in none of these ballots would strike action have been affected by the recent reduction to 50 per cent + one in the requirement for strike action.

C. J. Carter,
Flat 18,
Gorseland Court,
Glenmoor Road,
Ferndown, Dorset.

FINANCIAL TIMES
Friday April 27 1984

Ruling threatens Austrian banking secrecy

By Our Vienna Correspondent

AUSTRIAN banking secrecy has come under threat after a court decision. The High Administrative Court has altered rules to give tax inspectors greater access to information from businesses and banks.

The decision has caused concern among financial institutions which claim it sets a precedent that could undermine the principle of banking secrecy.

The controversy has been generated by the court's dismissal of a claim by a small rural co-operative bank that a tax inspector had exceeded his rights by taking documents from the bank which did not relate to initial inquiries.

The court found against the bank and argued that the inspector's action in taking an individual's file, unconnected with preliminary inquiries, was legitimate as he had grounds for suspicion that a tax offence may have been committed.

In these circumstances, the court argued, the inspector was not bound by the law which protects a bank's customers.

Dr Hans Haumer, chairman of the Saving Banks' Association, described the decision as "extremely dangerous" and called on the Austrian Government to protect banking secrecy. "How do you define suspicion? If someone has half a million schillings in a savings book does this automatically mean he isn't paying taxes?" he asked.

Banking secrecy in Austria is protected by civil and criminal law. Under article 23 of the Credit Law, credit institutions and their staff must not "disclose or make use of any secrets entrusted to them exclusively in the context of business relations with their customers."

A banker or employee risks heavy fines and up to a year in prison for disclosing information protected by the law.

The law also protects anonymity. Numbered or anonymous accounts are allowed and widely used. However, unlike in Switzerland, where the name of the client or another beneficiary must be given to the bank, this is not required.

This difference gives rise to the claim by some people that banking secrecy in Austria is tighter than in Switzerland, where the subject is also under special scrutiny at the moment. The Swiss go to the polls on May 20 to vote on proposals to reduce banking secrecy.

Sweden offers novel $800m U.S. issue

Continued from Page 1

Thus Sweden is guaranteed its money for seven years, and investors are happy because they can redeem the bonds after one year. As Mr Peter Engstroem, director of the Swedish National Debt Office, said yesterday, "We are getting a larger note issue at a lower cost than could be done on a normal seven-year maturity. And it is a lot cheaper than any purely bank-based refinancing."

Sweden is noted for its innovative approach to external financing. Last year it launched what at the time was the largest ever Eurobond; in November, it became the first Eurobond issuer to double the size of a deal; and this March, it issued a 40-year bond at a time when the longest maturity was only 20 years.

This FRN will have its terms fixed on May 2, but the indicated coupon is either 1/16 percentage points under the U.S. prime rate or 1/16 points over the rate for three-month "unadjusted" certificates of deposit, whichever is lower. Salomon described the initial investor response as "quite overwhelming."

China and U.S. agree nuclear power deal

BY MARK BAKER IN PEKING

CHINA and the U.S. have agreed on a nuclear co-operation pact that will enable U.S. companies to share in an estimated $20bn worth of contracts to develop China's nuclear power industry.

The agreement was reached only after a last-minute scramble to have it concluded during President Ronald Reagan's visit to China, which began yesterday. It will be signed on Monday by Mr Arthur Hummel, U.S. Ambassador to China, in the presence of Mr Reagan and Zhao Ziyang, the Chinese Premier.

The major sticking point was believed to have been China's reluctance to allow U.S. inspections of its nuclear industry, and it was not clear last night how the issue was resolved.

A senior U.S. official said, however, that the agreement called for "exchanges of information, regular consultations and visits" which would provide "the additional assurances we need that U.S.-supplied materials and facilities are being used solely for peaceful purposes."

The agreement would provide "the legal framework" for the sale of nuclear reactors, components, nuclear materials and technology but it was "not a commitment to supply nuclear reactors or materials. Rather it is a framework agreement which specifies the guarantees and controls under which supply may take place." There would be no transfer of sensitive nuclear technology or facilities such as reprocessing and enrichment plants.

China, which recently joined the International Atomic Agency to mollify U.S. congressional opposition to the deal, plans to build nuclear power plants with a combined generating capacity of 10,000 megawatts by the end of the century. Its first plant, with a capacity of 1,800 megawatts, is to be built at Daya Bay, near Hong Kong, at an estimated cost of $5bn, with French and British participation.

Japan signed a nuclear co-operation agreement with the Chinese last month and the West Germans are expected to sign one next month.

U.S. officials said any sale of reactors, components and technology would be a commercial matter that would be negotiated between U.S. companies and China. Individual reactors would have to be licensed by the U.S. nuclear regulatory commission. The agreement contained provisions that are required for deals with nuclear weapon states under the U.S. Atomic Energy Act, particularly those ensuring that sales by the U.S. of nuclear material are for peaceful purposes.

Mr Reagan, who will spend six days in China, was welcomed with a 21-gun salute, the first in China since the Cultural Revolution in the late 1960s.

The President and Mrs Reagan arrived from Guam abroad Air Force One and were greeted by Wu Xueqian, the Chinese Foreign Minister and a crowd of wolf-whistling, flag-waving U.S. residents, shivering in icy cold weather which had moved in from Mongolia earlier in the day.

The presidential party was driven to Peking's central Tienanmen Square, where Mr Reagan shivered in his lounge suit as the gun salute thundered across the city.

For Peking, the visit brought the toughest security measures seen for a foreign dignitary.

● Sir Edward Youde, the Governor of Hong Kong, left for Peking yesterday for a further round of talks on the future of the British colony, reports AP from Hong Kong. The two-day meeting, which starts today, will be the first between the two countries since the UK's formal announcement that it will relinquish sovereignty over the territory in 1997.

China satellite plan, Page 8

ICI sees recovery as profits surge to £245m in quarter

BY CARLA RAPAPORT IN LONDON

IMPERIAL CHEMICAL Industries (ICI) yesterday reported a near doubling of its first-quarter pre-tax profits as a result of higher prices and better sales volumes in its chemicals, fibres and plastics businesses.

All the divisions of Britain's largest chemical company are making profits for the first time since 1974.

Laporte, another major UK chemical company, also announced sharply improved profits yesterday.

The group reported pre-tax profits at £245m ($345.8m) on sales of £2.37bn in the first quarter of 1984, compared with £128m on sales of £2.02bn in the same quarter last year.

These results comfortably exceeded analysts' forecasts and ICI's shares closed at 620p, up 14p.

"Not only was the City pleased, so were we," said Mr Alan Clements, ICI's finance director. "There has been no indication of deterioration in any of our markets. We are seeing the effects of a steady, sustained recovery worldwide."

ICI has continued to boost prices for its major products, achieving another 2 per cent gain in sales volumes and prices in the first quarter of 1984 compared with the fourth quarter of last year.

The company has remained cautious, however, about the strength of this recovery. In the past few months, a number of top executives have questioned whether it would last until the end of 1984 for high-volume commodity plastics.

Yesterday's unexpectedly good result has tempered some of this caution. "I would say that the size of the improvement has surprised some of our gloomier people," said Mr Clements.

Financial analysts yesterday said they had upgraded their forecasts for ICI's full-year results to between £850 and £950m pre-tax. ICI has said it will restore its dividend to the 1979 level in real terms if the group reaches pre-tax profits of £1bn.

Laporte profits before tax climbed to £30.2m, from £20.1m in 1982, on sales which advanced from £241m to £290m.

The improvement, according to Laporte, was due in large part to the strong recovery of the group's titanium dioxide business. It recently agreed to sell this division to SCM of the U.S. for about $85m.

Gulf tanker ablaze

BY RICHARD JOHNS IN LONDON

A PREDOMINANTLY Saudi Arabian-owned super-tanker, the Safina el-Arab, was still on fire last night about 100 miles south of Kharg Island, the main Iranian oil terminal, where it lifted 357,000 tonnes of crude earlier this week.

The Institute of London Underwriters war risk committee met yesterday but is understood not to have confirmed that the vessel was a war casualty. It left premiums unchanged, brokers said. The cargo is understood to be insured for $71.4m.

Iraq did not claim to have hit the vessel. The extent of the damage suggested that it had not been hit by an Exocet missile, but survivors were quoted by the captain of a salvage vessel as saying that the explosion appeared to have been caused by a "projectile."

All but one of the Safina el-Arab's crew were rescued. Last night, the Dutch salvage company Smit International said that flames in the tanker's aft cabin and accomodation quarters had died down. The vessel was under tow having been set on fire 70 miles south of Kharg Island.

The Safina el-Arab is Saudi-registered. It is 56 per cent owned by the Safina company in which a leading shareholder is Prince Feisal bin Fahd, a son King Fahd of Saudi Arabia, and 44 per cent by Salen Tankers of Sweden which operates the vessel.

It was reported that Iraq aircraft had been strafing in the vicinity of Kharg Island early on Wednesday

Delta and UAL sharply higher

By Paul Taylor in New York

TWO OF the major U.S. domestic airlines UAL and Delta, yesterday reported sharply higher quarterly earnings.

UAL, the holding company for United Airlines which is the largest U.S. domestic carrier, reported first-quarter earnings of $25.6m, or 56 cents a share, compared with a $93.4m or $3.13 loss in the 1983 equivalent.

Delta Airlines, the sixth largest U.S. carrier, also reported a sharp increase in its fiscal third-quarter earnings bolstered by a $39.5m net gain from the sale of aircraft.

Its net earnings of $52.8m, or $1.33 a share in the latest period, compared with a net loss of $39.5m, or 99 cents a share, in the 1983 fiscal third-quarter

Telecom issue could be delayed

Continued from Page 1

exclude £750m of convertible preference shares to be issued by BT to the Government. These shares would be created to absorb part of the £1.25bn pension fund liability which BT inherited when it was split from the Post Office in 1979.

A further portion of the liability is expected to be turned into equity, and the rest to take the form of straight long-term debt to the Government.

The Treasury is insisting that BT's total debt to the Government should carry a fixed interest rate of about 12.5 per cent. It is also imposing conditions which could penalise BT if it chose to repay the debt early.

BT is worried that if its freedom to raise tariffs is too strictly curtailed, it could have difficulty in servicing the debt and preference shares, paying dividends to ordinary shareholders and financing its £2bn a year capital investment programme.

BT's short-term financial position has been made worse by the UK budget, which it expects sharply to increase its tax bill in the next five years. To meet this problem the Treasury has offered a five-year moratorium on BT's debt repayments.

The Government is close to selecting an advisor to help sell BT shares in Japan. Early next week it will interview in London representatives of the four leading Japanese securities houses, Nomura, Nikko, Daiwa and Yamaichi.

Morgan Stanley, one of the leading Wall Street firms, has already been chosen as advisor on a U.S. sale. But Morgan Stanley has made clear that it can not give a firm opinion until the terms of the flotation are settled.

Mexican state group may return to loan market

By David Gardner in Mexico City

A MEXICAN public sector company is considering returning to the money markets for a syndicated loan after the signing in New York today of Mexico's new $3.8bn jumbo credit.

It would be the first time a Mexican public sector entity has approached the market for new finance since the country's financial crisis in August 1982.

Finasa, the state-owned bank which serves the sugar industry, has plans to seek a syndicated loan for $100m-$150m, in the form of bankers' acceptances, to finance the building of sugar warehouses.

No mandate has yet been issued and a decision to go ahead has yet to be taken by the ministry of Finance, Senior Treasury officials are expected to hear the opinion of the international banks in New York this week.

A spokesman for Finasa said the bank's borrowing plans were part of an attempt to "get back to business as usual" with U.S. and European banks. Other public sector companies were also beginning to consider a return to the market.

Since autumn 1982, Mexico has raised over $16.5bn in new money from commercial banks, the IMF, the Bank for International Settlements and U.S. Government agencies. It has rescheduled $23bn in public sector debt and devised a scheme to protect private companies from foreign exchange fluctuations on $11.6bn of their foreign borrowing. It has also renewed trade credit lines and opened new ones.

But despite the remarkable turnround Mexico has achieved on its external accounts – last year's current account surplus was $5.5bn against a 1982 deficit of $4.9bn – and in rebuilding its reserves to a current level of about $6bn, some bankers and analysts believe it is too soon to approach the market.

Furthermore, it is argued that any attempt to test the waters should be carried out by solidly blue chip corporations like Pemex, the state oil company.

Mexico's strategy, however, is to try and move to a position where the markets will resume "voluntary" lending to it once again, after 18 months of "forced" lending.

Finasa followed an active borrowing programme until 1982. It last went to the markets in 1981 and 1982 for two loans of $300m and $250m in syndications led by Wells Fargo.

Margaret Hughes in London adds: Mexico's 13-bank advisory group confirmed yesterday that the commercial bank loan covering Mexico's new money needs for 1984 was oversubscribed.

Although total commitments came to just over $4bn, the amount which will be disbursed to Mexico will remain at $3.8bn, the amount originally agreed last December. The Bank of Mexico has requested that the amount oversubscribed be rebated to the participating banks on a pro-rata basis.

Mr William Rhodes, senior vice-president of Citibank and one of the co-chairmen of the bank advisory group, said yesterday that the success of the loan syndication demonstrated that international banks were "willing to give lower pricing to countries that are making sufficient progress in their adjustment programme so that the risk to lenders are diminishing."

He said that the banks' response also showed confidence that Mexico, which had been the first of the Latin American countries to experience external debt problems in the current crisis, was also the first to restore stable growth.

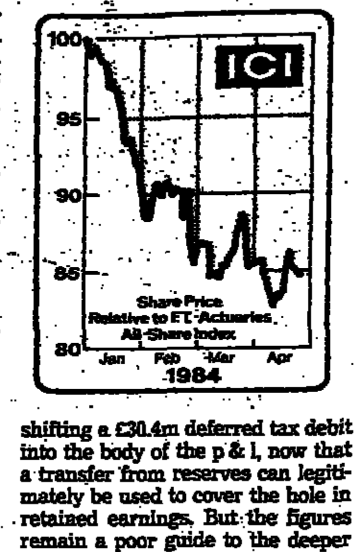
Mexico obtained lower margins and a longer maturity on this loan than on the $5bn loan extended to it in 1983. The new $3.8bn loan carries a margin of 1½ per cent over Eurodollar rates or 1¼ per cent over prime, compared with 2¼ per cent and 2⅛ per cent respectively on the previous loan. Final maturity is 10 years, with a five-year grace period.

Threat to Mexican brewery, Page 21

THE LEX COLUMN

Profit retort from ICI

From the beginning of the year the market has been somewhat unwilling to take ICI's recovery at face value, preferring instead to chew upon the question of what may happen to profits after output reaches its cyclical peak – maybe even before the end of 1984. But first-quarter profits of £245m before tax could go a long way to disarm this recent cynicism, apart from encouraging optimists to rehearse their four-times table.



The figures so far are certainly very encouraging, suggesting that the market has generally underestimated the degree to which margins in ICI's more cyclical products are boosted by increasing output. In the first three months of 1984 sales rose by a fairly modest 5 per cent over the last quarter of 1983, but price increases of 2 per cent were probably worth £40m at the pre-tax line, and volume gains of the same order added about another £20m. More relevantly, where prospects are concerned, product markets still appear to be tightening; price increases have tended to stick, and customers seem prepared to build stocks.

The shares jumped 16p yesterday to 620p, a price which could yet come to look rather modest if ICI were indeed to come anywhere near making £1bn – this year or next. The implied multiple of about seven times net earnings perhaps discounts the next recession too severely, almost as if ICI had not eliminated huge parts of the fixed costs which crippled it last time things cut up rough in the chemical markets.

House of Fraser

A preliminary statement from the House of Fraser these days offers few useful clues to the group's future and yesterday's, showing pre-tax profits for 1983 up 25 per cent at £38.8m, was no exception. It gives some idea of the damage inflicted on all Fraser's London stores – about a quarter of its total floorspace – by the Christmas bombings, since trading profits have emerged on this account perhaps £1m to £2m lower than expected. Any shareholders fascinated by the accounting contortions arising from the budget can note their directors' celerity in shifting a £30.4m deferred tax debit into the body of the p & l, now that a transfer from reserves can legitimately be used to cover the hole in retained earnings. But the figures remain a poor guide to the deeper changes within the group.

The group's £180m refurbishment programme, now in the second of its designated five years, has been accompanied by more changes in the merchandise mix towards higher margin products. The benefit to gross margins has been largely offset, it seems, by the burden of costs incurred as a result of the longer term strategy; but Fraser is at least laying claim to stronger volume sales than its competitors so far this year.

There are signs, too, that Fraser is fast becoming a more efficient retailer, though evidently not fast enough to please its energetic minority shareholder – Lonrho's directors still see their role on Fraser's board as far removed as ever, one might say, from observer status.

BCI/Wimpey

Developing countries have hardly been happy places for either Blue Circle (BCI) or Wimpey through the recession. BCI's Latin American, Indonesian and black African interests contributed only 11 per cent to group earnings in 1983 compared with 50 per cent in 1981. There is now a determination at BCI to shift the group's base to more stable parts of the world, particularly the U.S. where last year's purchase of three cement plants looks remarkably well-timed. Heavy spending in the UK too should bear fruit eventually.

At least the balance sheet damage done to BCI through its Third World involvement is limited this time to an £8m provision against the whole of its Indonesian investment.

Wimpey has come to worse harm through its work in the more exotic parts of the world, with three separate exceptional losses. The £41.7m total was a surprise given the chairman's February forecast of a £35m maximum, but it does make Wimpey's property sales, netting exceptional profits of £42.1m, look judiciously timed. Wimpey does not oblige with a profits breakdown, but overall margins have been cut sharply, while the U.S. business seems to be going better than most.

The outlook for BCI looks clear, if unexciting in 1984. But the picture at Wimpey is murky, apart from a further £17m property profit this year, and the management is offering little guidance. Yesterday's share price moves, BCI up 5p at 430p and Wimpey down 13p at 137p, say it all.

Kingdom of Sweden

As the British Government ponders how to sell debt in the gleaming new London securities market, it might cast an eye over the enterprising financial antics of the Kingdom of Sweden. Only a few months ago Sweden put the longest dated gilt-edged in the shade by issuing floating rate notes with a maturity of 40 years. Now Sweden is refinancing an existing $800m credit with FRNs which give the country seven year funds broadly at the cost of 12-month money.

This remarkable piece of yield curve dexterity is achieved through a back up facility from commercial banks, which guarantee to substitute loan notes for any FRN's which are surrendered and not resold after one year. In effect, the investor has a security which can be redeemed after one year, while the borrower is ensured seven-year cash. The new structure will save Sweden at least 50 basis points on overall funding costs, enough to make Mullens sit up and listen.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	20	68	Dubrovnik	F	19	66	Malaga	S	21	70	Salzburg	S	18	64
Akrotiri	F	19	66	Faro	C	20	68	Malta	S	18	64	Seoul	C	15	59
Algiers	F	19	66	Florence	S	22	72	Manila	C	35	95	Singapore	F	32	90
Amsterdam	S	15	59	Frankfurt	S	20	68	Miami	C	24	75	Stockholm	F	7	45
Athens	–	–	–	Funchal	F	18	64	Milan	S	21	70	Strasbourg	–	–	–
Bahrain	F	28	82	Geneva	S	18	64	Moscow	C	10	50	Sydney	S	18	66
Bangkok	C	34	93	Gibraltar	C	17	63	Munich	S	17	63	Taipei	–	–	–
Barcelona	F	18	64	Guernsey	S	15	59	Nairobi	–	–	–	Tangier	S	21	70
Beirut	S	19	66	Helsinki	F	5	41	Naples	F	18	66	Tehran	–	–	–
Belgrade	F	17	63	H. Kong	C	22	72	New Delhi	F	38	100	Tel Aviv	S	22	72
Berlin	C	14	57	Innsbruck	S	20	68	New York	S	9	48	Tenerife	F	23	73
Biarritz	S	24	75	Inverness	C	9	48	Nice	S	20	68	Tokyo	F	21	70
Blackpool	S	18	64	Istanbul	S	11	52	Oporto	F	18	66	Toronto	S	8	46
Bordeaux	S	22	72	Jersey	S	18	64	Oslo	S	12	54	Tunis	S	19	66
Brussels	S	19	66	Jo'burg	S	21	70	Paris	S	23	73	Valencia	S	19	66
Budapest	S	18	64	Las Palmas	C	21	70	Prague	F	15	59	Venice	S	17	63
B. Aires	S	22	72	Lima	F	24	75	Reykjavik	C	8	46	Vienna	C	18	64
Cairo	C	24	75	Lisbon	F	19	66	Rio de J'o	C	23	73	Warsaw	F	9	48
Cape Town	F	15	59	Locarno	S	20	68	Rome	S	18	64	Zurich	S	18	64
Caracas	C	30	86	London	S	19	66								
Casablanca	C	20	68	Los Angeles	F	12	54								
Copenhagen	F	12	54	Luxembourg	S	20	68								
Corfu	–	–	–	Madrid	S	20	68								
Dublin	S	16	61	Majorca	C	20	68								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Thomson, Philips in computer talks

Continued from Page 1

manufacturing plant, St-Pierre Montlimart at Angers, could produce up to 500,000 personal computers a year. The world shortage of semiconductor components, however, was forcing the French group to hold down production this year at around the 100,000 level.

Thomson plans to market the new products outside France from next September. M Gerothwohl estimates the French personal computer market this year at 300,000 units and a similar number for West Germany.

To penetrate the UK market, which accounts for about half of the entire European personal computer market, Thomson is negotiating a distribution and co-operation agreement with a British company, said M Philippe Vincent, Thomson's microcomputer export manager. The French group has no distribution network in the UK.

In an effort to develop the use of personal computers in French homes, the Socialist Government has followed t[illegible] successful British idea to popul[illegible]e the computer through BBC television programmes by asking TF1, the first channel of the national French television, to screen a series of computer educational programmes. The programmes will enable viewers to learn and practice on their personal computers while watching the television series. Thomson expects its new personal computers to be chosen by TF1 as the computer hardware for the series.

In a further attempt to popularise the personal computer in France, Thomson has fitted a special train with a whole range of home computer electronics and systems. The train will visit seven cities in France to exhibit French personal computer technology.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday April 27 1984

Quaker recovers in third quarter

By Terry Byland in New York

THE DISPOSAL of loss-making operations has left Quaker Oats, the grocery and toy group, level pegging in the third quarter of the fiscal year. The board says that this reflects a planned increase of 25 per cent in advertising and marketing costs on U.S. grocery products.

Sales jumped by 25 per cent to $806.7m. Net earnings of $26.9m or $1.29 a share for the third quarter compare with $26.4m from continuing operations in the same period last year when a $58m loss from discontinued operations made final net $31.6m.

At the nine months stage, net earnings of $89.7m or $4.33 a share compare with net profit of $76.2m or $3.81 a share from continuing operations. A 26 per cent rise has put turnover for the nine months at $2.4bn.

Earnings have been held back this year by heavy advertising costs which, under new accounting rules, have to be charged against profits. The fiscal year ends on June 30.

Modest rise for U.S. household goods major

By Our New York Staff

PROCTER & Gamble, the U.S. household goods major which is facing increasingly tough competition in many markets, increased its net income in its third quarter ending March by less than 1 per cent from $218m to $220m.

The group earned $1.32 per share in the quarter compared with $1.31 a year ago. For the first nine months it has earned $707m or $4.25 per share – an increase of 2.9 per cent from the $685m or $4.13 last time.

U.S. stockbrokers may aid Baldwin investors

BY WILLIAM HALL IN NEW YORK

THE U.S. stockbroking and life insurance industries are discussing contributing up to $250m to help the 165,000 people who bought over $4bn of "guaranteed" single premium deferred annuities from the failed Baldwin-United Corporation.

Major U.S. stockbrokers and insurance companies have come under severe criticism for actively promoting Baldwin-United annuities, a form of tax free saving, at a time when the company's financial condition was deteriorating. Major brokers, including household names like Merrill Lynch, E. F. Hutton and Shearson American Express, marketed the product as a "safe" investment, and following the collapse of Baldwin last year they are being sued for "unfair and deceptive" practices.

In an effort to protect their reputations, several leading firms such as Merrill Lynch and Prudential-Bache have announced voluntary plans to aid their customers who bought Baldwin's annuities. Merrill's chairman, Mr Roger Birk, said his firm and taken the action to "maintain the continued confidence of customers and potential customers worldwide."

However, state insurance regulators who are now supervising the Baldwin insurance operations object to the voluntary plans now being proposed by some but not all of the sellers of Baldwin-United annuities, since they argue that one group of policyholders should not be treated differently from another group.

As a result they are pressing the stockbrokerage and life insurance industries to provide an industry-wide pool of funds which can be used towards improving the returns on the Baldwin-United annuities. One of the main problems is that part of the money invested in the annuities was reinvested in other parts of Baldwin's failed business.

At one stage Baldwin was the market leader in the single premium deferred annuity market.

Industry sources estimate that the U.S. stockbrokers could contribute around $200m to the fund and the life insurance another $50m. However, they note that getting industry-wide agreement on the size of individual contributions and the method of distributing the money are likely to pose serious obstacles.

Cermoc faces bankruptcy again

BY DAVID GARDNER IN MEXICO CITY

THE THREAT of bankruptcy hanging over Cerveceria Moctezuma (Cermoc), one of Mexico's leading breweries, which owes $370m abroad, has revived following the opening of new legal proceedings against the company by one of its creditors.

Northwestern National Bank of Minneapolis, which in January sought a bankruptcy order against Cermoc to recover the $6m it is owed by Distribuidora Moctezuma, the brewery's distribution subsidiary, has filed a new suit seeking an embargo on the distributor.

The move follows the impasse reached in talks, between Cermoc, its foreign creditors and the Government, aimed at restructuring the company. The principal sticking point, according to bankers here, is the unwillingness of Cermoc's main shareholder, Sr Alberto Bailleres, to cede a stake in the company to the foreign banks in return for capitalisation of part of the debt.

Proposals put forward by the banks, in collaboration with the Mexican authorities, called for the banks to convert either $40m into a 30 per cent stake, or $80m into a 60 per cent holding. Under the first option, Sr Bailleres – head of a powerful business empire which includes Industrias Peñoles, the world's largest silver producer – would put up $40m of his own capital.

Under the proposals, the brewery would come up to date fully on back taxes of more than $80m and the Government would pump back $40m in exchange for convertible preferred shares in the company redeemable over 10 years.

In addition to the $120m package, $200m would be rescheduled over 10 years, at 12 per cent for the first five years and London interbank offered rate (Libor) plus 2 for the second five years. Another $130m would be repaid at 4 per cent for the first two years, 12 per cent for the next three years, and Libor plus 2 for the remaining five years.

Cermoc, however, is understood to have rejected outside participation in the control of the company, and is seeking easier repayment terms. Although talks were still going on yesterday the prospects for agreement appeared sufficiently slight for Northwestern to renew its legal battle with the brewery.

Sr Bailleres and the Cermoc shareholders nevertheless retain a strong hand in the short term. The Cermoc board was empowered, at an extraordinary general meeting on January 23, to declare a suspension of payments – a move which amounts to applying to the courts for temporary receivership – should this be necessary to counter bankruptcy proceedings.

Although suspending all payments would forestall any decision to liquidate, it is not clear what effect it would have in fending off the new lawsuit.

McDonnell Douglas earnings up 13%

By Our Financial Staff

McDONNELL Douglas, the U.S. aerospace group, has posted a 13 per cent rise in first-quarter net earnings as operating improvements in aerospace and information systems more than offset higher interest costs and "substantially lower" transport aircraft sales.

Profits rose from $59.9m or $1.51 a share to $67.5m or $1.69, on sales down slightly from $2.07bn to $2.03bn. The latest results include sales and earnings of Hughes Helicopters, acquired earlier this year from the Howard Hughes estate for $470m, and Computer Sharing Services, bought from Rio Grande Industries for $69.2m. Results of Tymshare, the California-based data transmission company acquired in March, are excluded.

McDonnell Douglas said it delivered two MD-80 twin-jet commercial airliners and two KC-10 tri-jet military cargo aircraft in the latest quarter. This compares with six twin-jets and four DC-10 tri-jets in the first quarter of 1983.

The company said its firm backlog of orders at March 31 was $14.5bn, 50 per cent higher than a year earlier. Hughes Helicopters accounted for $1.06bn of the latest total, which excludes government orders not yet funded to McDonnell and orders being negotiated to continue authorised programmes.

The total backlog, which includes these additional amounts but excludes options and aircraft being built for short-term lease, was about $22.6bn, compared with $17.9bn.

In February American Airlines, the second largest U.S. carrier, ordered 67 MD-80s for delivery in 1985-87 and took options on a further 100.

Mobil and Sohio profits surge in first three months

BY TERRY DODSWORTH IN NEW YORK

MOBIL, the second largest U.S. oil group, reported a 52 per cent rise in first quarter net income, from $250m or 62 cents a share to $380m or 93 cents a share. Sales rose to $15bn from $14.3bn.

Sohio, the Cleveland-based group in which British Petroleum has a majority stake, announced a 38 per cent increase in earnings from $277m or $1.12 a share to $381m or $1.54 a share.

A large part of the improvement in Sohio's figures, however, was due to the reduction in the net figure last year after a $75m extraordinary charge for the closure of an abrasives operation. Sales increased to $2.92bn compared with $2.77bn.

A $74m turnround at **Shell Oil's** U.S. refining and marketing operations was primarily responsible for the group's 33 per cent rise in first-quarter net income from $246m to $326m.

This equalled $1.05 a share, against 80 cents last time, on revenue of $4.96bn, against $4.65bn.

The group's U.S. oil and gas exploration and production earnings rose $7m to $310m. The oil products operations, which cover Shell's refining and marketing operation, earned $34m against a loss of $40m, and chemical products increased its contribution by $1m to $21m.

Daily crude production rose 2 per cent and natural gas production 6 per cent in the quarter.

Gulf Corporation, which has agreed a bid from Standard Oil Company of California (Socal), reports a 21 per cent rise in its first-quarter net income from $182m or $1.06 a share to $220m or $1.33. Revenues rose to $7.5bn ($6.9bn).

Excluding non-recurring items and currency translation charges, Gulf said its net income from operations in the latest quarter was double last year's figure and 20 per cent up on the fourth quarter of 1983.

Pennzoil, the Houston-based energy company which recently failed in a bid to win control of Getty Oil, has increased its first quarter net income by 68 per cent from $41.3m or 78 cents a share to $69.2m or $1.25. Revenues were $674m ($559.8m).

Amerada Hess, the New York-based integrated oil company, extended the recovery which began in the second quarter of 1983 by boosting first-quarter 1984 net earnings to $88.4m or $1.04 a share, against just $5m or 6 cents in the comparable period. Revenues advanced from $1.8bn to $2.4bn.

The rise in earnings was mainly the result of a sharp reduction in losses from refining and marketing to $4.3m from $61m.

Reliance seeks Disney stake

BY OUR NEW YORK STAFF

RELIANCE Financial Services, part of financier Mr Saul Steinberg's privately held Reliance Group Holdings investment company, is seeking a stake of up to 25 per cent in Walt Disney Productions, the U.S. entertainment group.

Reliance, which has already built up a 9.3 per cent stake in Disney, revealed the move in a filing with the Securities and Exchange Commission and said it is seeking Federal Trade Commission and Justice Department anti-trust division approval to boost its holding.

Disney's shares have been rising rapidly in recent months, boosted by takeover speculation. On Wednesday the stock closed up $3 at $62.50 in New York.

Financial services activities hit Xerox

By Terry Dodsworth in New York

XEROX, the U.S. office equipment and financial services company, has joined the growing list of victims of the crisis in the U.S. property and casualty insurance business.

Despite an 11 per cent increase in profits of the duplicator and information systems division, net income in the first quarter of this year fell by 2 per cent from $128.7m, or $1.25 a share, to $126.1m or $1.20 a share.

The company put the blame for this decline squarely on the financial services activities, and more specifically on the insurance company Crum and Forster. Crum's quarterly net income fell by 33 per cent from $37m to $35m, even though it made capital gains of $14m this year against $2m in 1983.

Mr David Kearns, president, said that like the rest of the property and casualty insurance industry, Crum and Forster had been hit by "severe weather conditions and continued price pressures on commercial insurance lines."

After allocating interest costs associeted with the acquisition of this business and the Van Kampen Merritt Investment Bank, financial services contributed $32m to the first quarter profits against $44m a year ago.

On the office equipment side of the business, Mr Kearns said that customer response to the 10 series copier/duplicators had been "excellent around the world," and had required an increase in production schedules.

Income in this division had risen to $94m on revenues of $2bn, against $85bn, on virtually the same sales a year ago.

Sales revenue was undermined, Mr Kearns said, by the strength of the U.S. dollar compared to a year ago, weak economic conditions in several countries and lower price levels worldwide.

INTL. COMPANIES & FINANCE

Jonathan Carr on how Hypo and BV have outgrown their regional status

Bavarian banks break into big time

THE TOP managers at Bayerische Hypotheken-und Wechsel-Bank (Hypo) must be chortling with glee. The bank's profits performance in 1983 was not only better in some key respects than that of its arch-rival Bayerische Vereinsbank (BV), but it also emphasised that in earnings power Hypo is very close to the top of the tree among all West German credit institutions, admittedly with the BV panting along close behind.

The comparison between the two banks, next door neighbours in the Bavarian capital of Munich, is virtually inescapable. Both have a long history, Hypo's going back to 1835, BV's even to the 18th century (via the Bayerische Staatsbank with which BV merged in 1971). Both have long expanded their activities well beyond Bavaria, so that the official classification of them as "regional banks" looks a bit outdated.

Indeed, last year BV's group consolidated assets rose to DM 113.5bn putting it just ahead of Commerzbank (DM 113.2bn), the smallest (after Deutsche and Dresdner) of the so-called "big three."

Hypo and BV also share a business peculiarity. Unlike most other commercial banks, they can grant mortgage loans direct through their parent institutions instead of having to deal through subsidiaries. The inclusion of this solid mortgage element helps both Hypo and BV to balance the risks arising from traditional commercial banking activities. The mortgage business also goes part of the way to explain Hypo's particular success in 1983.

The profit and loss figures reveal that last year Hypo boosted its interest earnings on mortgage and municipal loans by DM 200m, or 11.4 per cent, to DM 1.9bn. Interest paid on refinancing the mortgage business rose by only DM 124m, or 7.3 per cent, to DM 1.8bn. Hypo was clearly able to restructure its business away from the less profitable municipal loans side and into the long-term mortgage side.

BV was successful too, but not to the same extent. Its interest earnings on mortgage and municipal loans rose faster than Hypo's — by 15 per cent, or DM 286m, to DM 2.15bn — but interest paid increased still more quickly, by nearly 17 per cent or DM 292m to just DM 2bn.

With interest rates falling somewhat last year, both banks had a drop in interest earnings from traditional credit and money market activities. But again Hypo managed to come out of the squeeze better than BV. Hypo's interest earnings fell by 26 per cent to DM 2.4bn but interest paid dropped by almost 40 per cent to DM 1.6bn. The BV's earnings were down by nearly 16 per cent, its interest paid by just 24 per cent.

In sum, the Hypo achieved an interest margin last year of just over 3 per cent and the BV one of around 3 per cent (compared with the Deutsche's handsome 3.3 per cent and the Dresdner's 2.9 per cent). The upshot was a notably sharper climb in the Hypo's net interest income (see table), by far the biggest single element of profits. The Hypo's net commission income rose less strongly, but the sums are less important and the lower rate of increase is due partly to an accounting change so that the 1983 and 1982 figures are not wholly comparable.

Both banks had administrative and personnel costs amounting to almost DM 1bn each. But after subtracting this bill Hypo still retained DM 746m as clear "partial operating profit," an increase of 47.7 per cent on 1982, while BV recorded DM 555m, a boost of 16.9 per cent.

This income is "partial" because it does not include the banks' earning from trading on their own accounts in securities, currencies and gold. Neither Hypo nor BV puts an exact figure on its "total operating profit"—including own account trading—but then almost no other German bank gives this information either.

Nor do the published figures reveal the full extent to which the banks are setting aside sums to cover write-offs and provisions for losses in their portfolio investments and credit business at home and abroad. However, the details which appear in the profit and loss accounts are striking enough, even if they do not give the whole picture.

In the BV parent bank DM 268m is being set aside for write-offs and provision against DM 226m in 1982, while in the BV group (including the Luxembourg subsidiary) the figure is DM 502m after DM 346m. Hypo is stashing away even more. The parent bank figure is up to DM 512.4m from DM 396m in 1982, while the Hypo group sums are DM 658.6m after DM 387.5m.

Could it be that Hypo is actually pushing more funds than it really needs into its risk provision to cut its tax burden? The bank says sternly that it is merely taking reasonable account both of the hazards in international lending and of domestic economic difficulties, no least for medium-sized enterprises which make up many of its clients.

With so solid a 1983 result you would expect Hypo to boost its dividend from the 1982 level of 18 per cent (DM 9 per share). After all most other German banks have raised their payouts — including BV, from DM 10 to DM 11. But no. Despite its success, Hypo is simply holding its dividend and stressing to its shareholders that they have an excellent investment — for the long term.

However, in 1985 Hypo will be celebrating its 150th anniversary. And it would be most surprising if at the start of next year it did not offer its shareholders a birthday present in the shape of a very handsome bonus. There are plenty of clues in the balance sheet that Hypo can well afford to pay.

Parent bank	Bayerische Vereinsbank DM	% Change on 1982	Hypo-Bank DM	% Change on 1982
Total assets	65.3bn	8.4	63.9bn	6
Net interest income*	1.3bn	13.1	1.5bn	23.7
Net-commission income	278m	12.5	199m	8.2
Partial operating income†	555m	16.9	746m	47.7
Net profit	129m	8.4	111m	5.2
Consolidated total assets	113.5bn	7.6	97.1bn	5.5

* Including extraordinary items in mortgage business. † Excluding results of trading on own account and before risk provision.

Saab sales off to good start

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

SAAB-Scania, the Swedish motor and aerospace group, increased sales by 24 per cent to SKr 6.17bn ($779m) in the first three months of the year, Mr Georg Karnsund, the managing director, said yesterday.

Earnings increased at a faster pace than sales, he told shareholders, but did not release any detailed figures.

New orders booked in the quarter jumped by 31 per cent to SKr 6.8bn, while the value of the group order book rose to SKr 18.5bn from SKr 16.4bn.

Truck and bus sales showed a volume rise of 30 per cent in the quarter, helped by the recovery of commercial vehicle markets in Western Europe, Brazil and Argentina. Saab car sales rose by 13 per cent to 29,000 units.

Saab yesterday also announced the long-awaited launch of its new car range, which will take it into a more exclusive part of the luxury car market, increasing competition particularly with Volvo of Sweden and BMW and Mercedes-Benz of West Germany.

Several components for the new model have been developed jointly with Lancia of Italy, which is also launching a new larger model later. The new Saab is to be launched on May 24 and will be available in Nordic markets in the autumn.

The car is expected to sell at around SKr 150,000 in Sweden, where it will compete with Volvo's top of the range 760 model.

Mr Karnsund said the group had "every reason to be optimistic" about profits, which are expected to show a substantial increase this year, despite the costs of launching the new model.

Truck and bus production is expected to rise to some 23,000 this year from 18,500 in 1983, while car output is expected to rise by 10 per cent to 105,000.

Continuing investment will have expanded car production capacity to 120,000 units a year by the end of 1984.

Ciba completes UK restructuring

BY JOHN WICKS IN ZURICH

CIBA-GEIGY, the Swiss chemical company, has completed "on schedule and within the budgeted costs" the restructuring of its UK photographic division, it was stated yesterday.

For the current year the Ilford division is expected to show a balanced profit and loss account after incurring a small loss for 1983.

Dr Alex Kauer, deputy chairman of the Swiss company's executive committee, said the restructuring of Ilford between 1980 and the end of last year cost a total of "between SwFr 150m and 200m ($67.8m-$90.5m)," including corporate losses and investments in a new plant in Cheshire.

In 1983, Ilford turnover went up by 5 per cent to SwFr 445m, or by 10 per cent in terms of local currencies. Sales increased at a further "gratifying" rate of 11 per cent in Swiss franc terms in the first quarter of this year.

Total turnover of the Ciba-Geigy concern increased in the first quarter by 22 per cent in comparison with the corresponding period of 1983 to SwFr 4.9bn.

Dr Louis Von Planta, company chairman and managing director, said it was unlikely that this growth rate would be maintained for the remainder of 1984. The first quarter had seen a particularly sharp increase in agrichemicals business because of a change in U.S. agricultural policy, and also in industrial chemicals. Profits for the year as a whole, he said, should be "decent."

As for future expansion, Dr Albert Bodmer, executive committee chairman, said priority would be given to internal growth rather than acquisitions. Purchases were seen primarily as ways to supplement existing activities.

Capital expenditure this year, excluding acquisitions, is expected to be higher than the 1983 total of SwFr 830m. More money is to be invested than last year in the pharmaceuticals division, while the U.S. will again receive a significant share of total investments.

AMIC plans rights issue to raise R100m

By Our Johannesburg Correspondent

ANGLO-AMERICAN Industrial Corporation (AMIC), the industrial arm of the South African mining house Anglo American, plans to raise R100m ($78m) by means of a rights issue of ordinary shares.

Mr Graham Boustred, the chairman, told the annual general meeting in Johannesburg yesterday, that the proceeds of the issue will supplement AMIC's existing resources and will be used to finance the group's participation in capital projects. The terms of the issue have yet to be announced.

Mr Boustred told the meeting that the group is budgeting for an increase in earnings in 1984 and that it intended to, at least, maintain the dividend at 180 cents a share on the increased capital.

In 1983 AMIC's turnover declined to R1.6bn, from R1.4bn, while the pretax trading profit dropped to R211.8m from R248.1m.

AMIC has at present 45.68m ordinary shares in issue. At yesterday's closing price of R82.50 a share on the Johannesburg Stock Exchange, the group has a market capitalisation of R1.48bn.

Superfos back to profits

By Our Copenhagen Correspondent

SUPERFOS, the Danish chemicals group, has bounced back to profits for 1983 but will again not pay a dividend.

Sales rose by a fifth during the year, but the main driving force behind the recovery has been the elimination of ammonia losses in West Germany.

Profits before tax emerge at DKr 219m ($22m) in contrast to a deficit for 1982 of DKr 85m. Sales were DKr 7.6bn, against DKr 6.3bn.

In the interests of continued recovery, no dividend is proposed.

Superfos attributes the improved result to a better general performance linked to the advantageous effects of the sale of the 40 per cent share in a Veba-controlled ammonia plant in West Germany.

The West German plant was the main reason for Superfos' losses in 1981 and 1982.

North American Quarterly Results

TELERATE
Business information

Second quarter	1983-84 $	1982-83 $
Revenue	22.7m	15.5m
Net profits	6.9m	4.5m
Net per share	0.16	0.11
Six months		
Revenue	44.1m	29m
Net profits	13.4m	8.2m
Net per share	0.30	0.21

U.S. AIR
Domestic airline

First quarter	1984 $	1983 $
Revenue	372.2m	311.6m
Net profits	16.5m	1.9m†
Net per share	0.77	0.09

†Loss

TRANSAMERICA
Financial services

First quarter	1984 $	1983 $
Revenue	1.23bn	1.11bn
Net profits	61.7m	54.2m
Net per share	0.95	0.88

UNION PACIFIC
Railroads, natural resources

First quarter	1984 $	1983 $
Revenue	1.97bn	2.15bn
Net profits	101.3m	64.9m
Net per share	0.82	0.57

WALT DISNEY PRODUCTIONS
Amusement parks, films

Second quarter	1983-84 $	1982-83 $
Revenue	346.1m	315.7m
Net profits	22.2m	39m
Net per share	0.64	0.87
Six months		
Revenue	648.3m	595.9m
Net profits	31.5m	47.2m
Net per share	0.90	1.39

U.S. GYPSUM
Gypsum products

First quarter	1984 $	1983 $
Revenue	480.6m	34.7m
Net profits	39.5m	7.8m
Net per share	2.38	0.46

U.S. HOME
Homebuilder

First quarter	1984 $	1983 $
Revenue	270.7m	258.7m
Net profits	*3.2m	8.6m
Net per share	—	0.25

*Loss

Notice of Mandatory Redemption

ORIENT LEASING (CARIBBEAN) N.V.

US$30,000,000 12% Guaranteed Notes Due 1985

Notice is hereby given pursuant to the provisions of the Trust Deed dated May 21, 1980 constituting the above Notes, that $10,000,000 nominal of the Notes is due for mandatory redemption on June 1, 1984. Pursuant to Clause 5(d) of the Terms and Conditions of the Notes US$2,420,000 principal amount has been purchased by the Company and credited against the amount due for redemption.

The serial numbers of the Notes drawn for redemption representing $7,580,000 principal amount are as follows:—

[illegible]

On June 1, 1984, there will become due and payable on the Notes to be redeemed the principal amount thereof together with accrued interest to June 1, 1984. On and after that date interest on the Notes to be redeemed shall cease to accrue. Payment of Notes to be redeemed will be made on or after June 1, 1984 upon presentation and surrender of said Notes, with all coupons appertaining thereto maturing after June 1, 1984 at any of the following banks:—

The Chase Manhattan Bank, N.A.,
Woolgate House,
Coleman Street,
London EC2P 2HD.

Chase Manhattan Bank Luxembourg S.A.,
47, Boulevard Royal,
Luxembourg.

Banque Internationale A Luxembourg, S.A.,
2, Boulevard Royal,
Luxembourg.

Banque de Commerce S.A.,
51/52 Avenue des Arts,
1040 Brussels,
Belgium.

The Development Bank of Singapore Ltd.,
DBS Building,
6 Shenton Way,
Singapore 1,
Singapore.

Manufacturers Hanover Trust Co.,
Stockerstrasse 33,
8002, Zurich,
Switzerland.

United Overseas Bank Ltd.,
1 Bonham Street,
Raffles Place,
Singapore 1,
Singapore.

Daiwa Europe N.V.,
Amstel 344,
Amsterdam,
Netherlands.

Industrial Bank of Japan
Trust Company,
245 Park Avenue,
New York,
N.Y. 10167.

Sanwa Bank Ltd.,
Commercial Union Building,
1 Undershaft,
London EC3A 8LA.

With effect from June 1, 1984, the balance of Notes remaining in circulation will be $10,000,000.

The Chase Manhattan Bank, N.A.,
Principal Paying Agent.

Dated: April 27, 1984.

Elders IXL to take over Pica for $20m

By Our Financial Staff

ELDERS IXL, the fast-growing Australian pastoral, resources, financial and diversified industrial group, is to take over Private Investment Company for Asia (Pica), the investment banking group formed in 1969 to help foster the growth of private enterprise in Asian countries.

In a joint statement, the two companies said yesterday that an Elders subsidiary, Elders Finance and Investment, would pay US$20m to Pica's shareholders, whose approval is still required for the deal. The company's total assets were said to be worth $231m at the end of 1983.

Pica was set up by 24 major companies in Europe, the U.S., Japan, Australia and Canada in 1969 with an authorised capital of $40m and a stated aim of encouraging the development of private sector business. The number of shareholders has since increased to some 260, while the company is currently operating in 12 East Asian countries.

The company has taken equity positions in and made loans to a wide spread of industries. On a geographical basis, some 20 per cent of its total exposure is currently in the Philippines, according to Dr Wolfgang Sietz, managing director.

Korea to cut short-term foreign debt

BY PETER MONTAGNON IN AMSTERDAM

SOUTH KOREA plans to reduce its short-term foreign debt by between $500m and $600m this year in an effort to improve its debt maturity profile, Mr Kim Mahn-Je, Finance Minister, said here yesterday.

An increased availability of medium-term finance has enabled Korea to aim for a speedier reduction in short-term borrowing than previously expected, he told the Financial Times. Short-term loans accounted for about one-third of the country's $40bn total debt outstanding at the end of 1983.

Previous forecasts have suggested only a modest reduction in short-term borrowing of about $200m, but the Minister said that the Philippines debt problem had made Korea aware of the need to reduce its vulnerability to the withdrawal of short-term credit lines. Korean banks are now expected to step up their medium-term borrowings in the floating rate certificate of deposit market.

Based on current projections, Korea's total gross foreign borrowing this year should be around $6.5bn, of which $1bn will be used to cover the current account balance of payments deficit, he said. Amortisation of maturing debt will absorb $3bn, while remaining borrowing will be used to pre-finance Korean exports.

A sharp increase in imports so far this year and the higher cost of debt service resulting from the increase in U.S. interest rates—each one point rise in rates costs South Korea about $250m a year—means that it will not be possible for Korea to reduce its balance of payments below $1bn this year, the Minister said.

But the net increase in Korea's foreign debt will still be confined to about $1.5bn this year and by 1986 the debt should peak at about $45bn.

About three-quarters of Korea's foreign debt is denominated in U.S. dollars and further efforts will be made to diversify borrowings through fund-raising on the Swiss and German bond markets this year.

Korea Exchange Bank recently concluded a $650m borrowing in the Eurocredit market. Korea Eximbank is expected to raise about $300m during the summer or early autumn. After that Korea Development Bank will raise about $500m.

Mr Kim also said that Korea was now encouraging foreign borrowing by private sector corporations, "but we are cautious about moving in that direction with a large sum."

Moet-Hennessy boosts earnings

BY DAVID MARSH IN PARIS

MOET-HENNESSY, the diversified French champagne company, yesterday announced a big advance in first quarter 1984 sales after declaring net group profits up by 18.5 per cent to FFr 401.8m ($48m) for 1983.

France's largest champagne producer has made major efforts in recent years to widen its product range across cognac, perfumes and horticultural activities, and also to spread its international presence. The group boosted turnover by 29 per cent in the first quarter, although it was unlikely to keep up the growth rate for the whole year, M Alain Chevalier, the chairman, told a press conference.

Describing the 1983 results as "better than expected," M Chevalier said the group intended further to build up its U.S. activities — which already make up one-third of its business—and also to expand Asian operations. At present these make up around 10 to 15 per cent of turnover, but the aim is to expand them to one-third, led by the strong Japanese market for cognac and perfumes.

Last year's sales rose 25 per cent to FFr 5.74bn, with operating profits up 16 per cent to FFr 846m. Sales and profits have both doubled since 1980.

Admitting that he could hardly avoid a certain "self-satisfaction," M Chevalier said the group's product mix had managed to protect it from the last few years of difficulties in the champagne business, while its geographical spread gave it some insulation from economic and currency fluctuations.

The dividend for last year is being increased to FFr 20 (FFr 30 counting a FFr 10 tax credit) a share compared with the FFr 18 in 1982.

Champagne and wines account for 46 per cent of turnover, cognac and spirits 28 per cent and perfumes and beauty products—including the Dior and Roc ranges—25 per cent.

Armstrong Nurseries, the Californian rose grower of which Moet bought 90 per cent ownership in 1982, was being "completely modified" through a management and technical shake-up.

Moet's research director, M Jean-Pierre Megnin, said Armstrong's newly-built Santa Barbara laboratory would produce 600,000 to 700,000 roses this year using "in vitro" test-tube breeding techniques pioneered in France. Following market tests in California, distribution of test tube-bred roses around the U.S. would start next year.

The rise of the dollar, in which 35 per cent of Moet's sales are invoiced clearly boosted last year's overall turnover increase. On the basis of unchanged currency rates — but without allowing for price increases which would have taken place had the dollar remained stable — last year's turnover rise would have been around half the 25 per cent actually recorded.

The group's investment last year totalled FFr 282m, up from FFr 185m in 1982.

The research budget, geared particularly to improving perfumes and skin products — is running at around FFr 55 to 60m. Moet is also taking part in international efforts, along with researchers from Sydney University, to improve wine-growing techniques and boost supply of young plants for vineyard renewals and expansion.

South African paint group ahead halfway

By Our Johannesburg Correspondent

PLASCON-EVANS (Plevans), South Africa's largest paint manufacturer which is 80 per cent owned by Barlow Rand, is uncertain on prospects for the remainder of the current financial year. In the six months ended March 31, turnover was R123.3m ($98.6m) against R108.2m in the corresponding period of 1983 and R221m in the financial year which ended on September 30, 1983.

The first-half's operating profit before interest and tax rose to R14.3m from R11.4m. In the last financial year operating profit totalled R27.4m.

The directors say they cannot forecast the second half's performance due to the delayed economic recovery and the unknown effects of drought and storm damage on demand for paint.

An interim dividend of 8 cents has been declared from first-half earnings of 29 cents a share. Las year's interim dividend was 6 cents and first-half earnings 26 cents a share.

The directors forecast an unchanged total dividend this year

Credit Suisse growth

BY JOHN WICKS IN ZURICH

CREDIT SUISSE reports a "continuation of gratifying results" in the first quarter of 1984. The Zurich bank, whose *net profits had risen last year* by 16 per cent to a record SwFr 351.6m ($151.7m), says its cash-flow was up on that for the corresponding period of 1983.

Income for both interest and non-interest business remained good during the first quarter, according to a Credit Suisse communique, while costs were kept rather below the budgeted level.

Due to a seasonal reduction of of the high end-of-year liquidity, the bank's balance-sheet total dropped by 1 per cent over the quarter of SwFr 76.4bn, despite a 1 per cent growth, to SwFr 51.1bn in the volume of clients' deposits. Advances to clients on the assets side of the balance sheet remained virtually unchanged from the end-of-year figure of SwFr 35.49bn.

In interbank business, the due-to-banks figure fell sharply from SwFr 18.47bn to SwFr 16.89bn following a fall in time deposits with other banks, while the due-from-banks total rose from SwFr 18.6bn to SwFr 19.42bn, with time accounts up from SwFr 16.64bn to SwFr 17.46n.

Sun Hung Kai spending

HONG KONG — Sun Hung Kai Propertiesplanst o spend overHK$2bn (U.S.$256m) over the next two years on new and ongoing developments centred in the new territories of Hong Kong, an official of the company told Reuters.

A residential/commercial development site of over 50,000 sq metres in the northern part of New Territories, known as Tai Po Centre, highlights Sun Hung Kai's developments, he said.

Sun Hung Kai plans to invest up to HK$1bn in Tai Po Centre, started this week, he added, saying that the first phase is likely to be completed by mid 1985.

JAPANESE RESULTS

KAO CORPORATION

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	330.61	305.55
Pre-tax Profits (bn)	13.27	12.10
Net profits (bn)	6.25	5.52
Dividend	7.50	7.50

MITSUBISHI PETROCHEMICAL PETROCHEMICALS

Year to	Dec '83 Y	Dec '82 Y
Revenues (bn)	402.32	388.60
Pre-tax profits (bn)	0.54	†16.49
Net profits (bn)	0.22	†9.07

† Loss.

MAKITA ELECTRICAL WORKS ELECTRIC TOOLS

Year to	Feb '84 Y	Feb '83 Y
Revenues (bn)	91.19	79.73
Pre-tax profits (bn)	15.47	12.35
Net profits (bn)	6.51	5.56
Net per share	63.9	54.5
Dividend	18.0	18.0

MITSUKOSHI DEPARTMENT STORE

Year to	Feb '84 Y	Feb '83 Y
Revenues (bn)	522.04	545.54
Pre-tax profits (bn)	9.90	†4.87
Net profits (bn)	5.68	†6.09
Dividend	6	10

† Loss.

TECHNOLOGY

EDITED BY ALAN CANE

TOY DESIGNERS MAKE PROFIT BY INVENTION IN A CUT-THROAT INDUSTRY

Why success is a good idea

BY PETER MARSH

CHRIS WIGGS and Chris Taylor have nightmares about toys that fall out of bed.

Mr Wiggs and Mr Taylor run a small company in London called Origin Products, which sells ideas to the American toy business.

In the terminology of this industry, products fall out of bed when the toy companies don't like them enough to turn out the items in their thousands—or when the consumer snubs the toys in the shops.

The pair reckon that their schemes don't fall out of bed too often. They say that about 70 per cent of their ideas succeed, a higher percentage than is common in the industry.

This year American manufacturers will sell about $20m worth of toys that use Origin's ideas, according to the company's estimates.

Origin's biggest success was a puzzle called the Orbit, a hand-sized ball inset with brightly coloured beads that can be moved around. The company sold the design to 12 toy companies around the world. Toy shops in 20 countries sold 2.5m of the puzzles at about $6 each.

Chris Wiggs and Chris Taylor, directors of Origin Products, with their Orbit Puzzle design sold to 12 toy companies worldwide

Origin bases its business on massive attention to detail in the stage of the innovation process in which models are built. Mr Wiggs and Mr Taylor reason that toy manufacturers are more likely to accept proposals if they are given an accurate representation of what the item would look like when it is manufactured.

The pair feature in this part of their activities a novel vacuum forming machine that Mr Wiggs developed four years ago. With the device, Origin can turn out plastic moulds for models in a matter of minutes.

In conventional manufacturing industry, to produce moulds of similar quality would require injection moulding (in which plastic is pumped into cavities in metal tools under high pressure) or machining with computerised hardware.

Both methods are expensive—and, still more to the point, slow. As a result, small companies that quickly need to put an idea into solid form usually have to rely on a small number of badly made models, or possibly none at all.

With the moulding machine, which runs off the mains and turns out plastic items for a few pence, Origin can produce a number of models before it decides on the one to present to a possible customer.

Other tools in Origin's model-making process are manually operated cutting and punching hardware and an electric saw. The staff draws on pieces of paper. There is not a computer in sight.

"We are waiting for computers to catch up with us," says Mr Wiggs. "We haven't seen one for less than £200,000 that is even partially intelligent."

Mr Wiggs, 34, left school at 15 and became an apprentice engineer. He enrolled at an art college and met Mr Taylor, aged 29. At college, the pair formulated a list of 20 ideas which they thought could turn into saleable products.

About five years later, in 1980, the duo met up again and formed Origin. Their general rule is to concentrate on ideas, which they then try to sell to manufacturers.

The exception to this is the vacuum-forming machine. Origin not only uses the devices itself, but has sold several dozen to a range of customers.

The company's hardware comes in two types. A £950 machine produces plastic items up to 12 inches square and 4 inches deep. A bigger machine sells for £1,450 and turns out products up to 18 inches square and 9 inches deep.

In both versions, a flat sheet of plastic is heated and pressed over a mould of wood or plastic. The user first has to shape the mould, probably with manual tools.

In the next step, a vacuum pulls down the sheet so that it takes up the exact shape of the solid item underneath. The replication is so accurate that the finished item takes on even the shape of the grains of wood in the mould.

Origin has sold its machines to entrepreneurs that turn out plastic products, sometimes from the kitchens of their homes. With the hardware, other companies have made diaphragms for telephone handsets and casings for electronic goods.

Britain's nuclear industry bought a machine to make a model of the pressurised water reactor that the Central Electricity Generating Board wants to build a Sizewell.

"We sell the machines because this keeps us in touch with what industry is doing," says Mr Taylor. "Also we can bring into the toy business new types of plastic that we learn about through vacuum forming."

The working week at Origin's workshop in Notting Hill seldom has a set pattern. Events are punctuated by minor crises as the staff struggles to meet deadlines imposed by possible customers.

Mr Wiggs says that a flash of inspiration for a new toy may need between 500 and 1,000 hours of work to turn it into a solid proposal that will appeal to a marketing department of a toy manufacturer.

In this way, for example, Origin sold to the U.S. proposals for three toys that are on sale this year.

Two of the items which incorporate Origin's ideas are miniature cars with novel kinds of steering apparatus and remote-control mechanisms. The third is a badge which features an animated figure.

Mr Wiggs and Mr Taylor do not give away technical details of their ideas. For one thing, on some schemes, the pair are still finalising the patents.

Secondly, the toy market is rife with imitators. Origin spent £25,000 on patent protection for its Orbit. But it could do little to stop "pirated" copies of the puzzle going on sale in the U.S. *before* the authorised versions.

Failure to meet a deadline—or a toy that "falls out of bed" at a crucial stage—could ease the company out of an important contract.

"If you're a day late—you're a year late," says Mr Wiggs.

The company also suffers from heavy competition. The U.S. contains a couple of hundred design companies such as Origin, according to Mr Wiggs. All are trying to sell ideas to an industry with an annual turnover of some $12,000m.

"This business suits our way of working," declares Mr Taylor. "It's exciting, immediate and very high pressure. The industry's very brutal—it rewards people who put in the maximum of effort."

What kind of toys will children buy later in the 1980s? Mr Wiggs has lots of ideas—but he's not saying what they are. "Knowing where to look is 90 per cent of the battle."

HOSPITAL PROJECTS

Light focused on medical applications

TWO laser companies and a university physics researcher have formed a new venture to make medical lasers. Raymed, to be based probably in Livingston, Scotland, will turn out carbon-dioxide lasers for gynaecological surgery.

Raymed is a joint enterprise by Lamda Photometrics of Harpenden, Edinburgh Instruments and Dr John Colles, head of the medical laser unit at Herriott-Watt University, Edinburgh.

Lamda Photometrics, which earns some £2m a year by importing lasers into Britain, will own 60 per cent of the new company. Mr Robert Carless, managing director of Lamda, says Raymed hopes to sell about 10 lasers in its first year. Sales should double in 1985.

Raymed will base its devices on lasers produced by Edinburgh Instruments, a company set up 14 years ago by Prof Desmond Wilson of Herriott-Watt University.

The lasers sold by Raymed will include electronic controls and a colposcope. The latter is an instrument that includes a magnifying device with which surgeons can examine the body as they are applying treatment. The complete unit will sell for £15,500.

Over the next few weeks engineers are to instal the first two products from the new company. They will be used at Northern General Hospital, Sheffield, and at the Birmingham Midland Hospital.

According to Mr Carless, hospitals in the UK have about 80 carbon-dioxide lasers for medical applications. A large proportion are imports. Virtually all the lasers are for gynaecology—the others are for neurosurgery and treatment of ear, nose and throat ailments.

Carbon-dioxide lasers blast highly-focused energy at deseased tissue. Most of the energy is absorbed by the water which comprises the largest proportion of human cells. As a result, the focused beam acts as a scalpel, removing tissue by vapourisation in a process that is almost bloodless.

But carbon-dioxide lasers cannot be transmitted by optical fibre. So it is impossible to channel with endoscopes light from these devices to sites inside the body. This type of surgery is confined to argon and neodynium/YAG lasers—which do not work as well as the carbon-dioxide devices. This is because their radiation is absorbed less by the water in human tissue.

Materials

Composite gantries

British Rail is turning to composite materials to replace steel in some of the gantries that it instals alongside railway lines.

The board is to use composites based on glass fibres and coated with resin for gantries that workers will install over the next year in East Anglia. The structures carry electric cables to provide trains with power.

Bristol Composite Materials Engineering, a subsidiary of BP, will make the composites at a factory in Avonmouth. BP says the material has good resistance to corrosion and has a higher strength to weight ratio than steel.

Following five years of trials by British Rail and BCME, the two groups are also collaborating on using the composites in other railways structures, footbridges and lighting towers, for example.

INDUSTRIAL SYSTEMS

Lasers shine with improved sales

SALES of lasers have doubled in Western Europe since 1980 (constant 1982 dollars), in spite of generally difficult economic conditions and a strengthening of the U.S. dollar by 60 per cent against European currencies.

The number of suppliers has gone up by 40 per cent and some laser designs have moved from the experimental to the commercial.

Nine main laser types are being applied to information processing, materials, working/processing, alignment and construction, optical communications, medical work and instrumentation.

In 1983 total sales were just over $300m, compared with $217m in 1982 and only $153m in 1980. Germany absorbed 34 per cent of this total, the UK 24 per cent, and France 19 per cent. In Britain and Germany, foreign distributors (mostly from the U.S.) sold a little more than the indigenous manufacturers, but the makers did some 50 per cent better than the importers in France.

The figures appear in a new survey by Frost and Sullivan* which also shows that by value, the carbon dioxide device was the best seller, both as part of complete systems (mainly for cutting) and as a stand-alone device.

But more and more lasers are being sold to end-users within systems instead of as boxed devices. This trend to more OEM business by the laser makers seems likely to continue as new areas, such as optical communications, have arisen in which such companies are finding it difficult to take a direct interest.

There has been some reaction, however, such as Spectra Physics' recent joint venture with Xerox to exploit the latter's semiconductor laser array technology. F and S asserts that this joint company, Spectra Diode Laboratories, will "be of crucial importance" to the parent and to the industry as a whole.

The reason is that SDL is developing laser diodes and light-emitting diodes fabricated by a metal-organic chemical vapour deposition method pioneered at Xerox. The technique has already been used to produce laser diode arrays of up to 40 elements with a 2.5 watt output, yet small enough in size to be used in fibre optic communications.

However, F and S concludes that Spectra Physics "would be unwise to rely entirely on this new venture to lift itself from the period of sales stagnation and falling profits which it has endured since 1980."

In contrast, F and S says, its principal competitor, Coherent, has been able to maintain sales growth since 1980. At $91m in 1983, of which 40 per cent was accounted for in Europe, Coherent is, says F and S, "on level footing with Spectra Physics for the first time in Europe."

At the "power" end, carbon dioxide remains the most formidable—experimental and military types have achieved 100 Kw (continuous) and 450 Kw pulsed. The military significance of this can be imagined—it is the equivalent to the heat of 100 one-bar electric fires concentrated into a beam perhaps less than an inch across.

But as a weapon, laser devices suffer from beam divergence—much work is on progress on beam quality.

*The Commercial and Industrial Laser Market in Western Europe. Frost and Sullivan, 104 Marylebone Lane, London, W1M 5EU (01-486 8377).

UK COMPANY NEWS

Blue Circle moves up to £109.5m

Blue Circle Industries, the UK's largest cement manufacturer, made up the midway profits shortfall of £3.3m in the second half of 1983, to finish the year with pre-tax figures ahead from a restated £107.8m to £109.5m. Turnover increased by £121.3m to £906.5m.

However, after a tax charge £5.8m higher at £29m, earnings per £1 share were down from 68.1p to 62.3p. Despite this, the final dividend is raised by 0.75p to 13p net for a total payment up from 18.25p to 19p.

Following a change in accounting policy, 1982 figures have been restated to exclude additional depreciation taking account of inflation since the last revaluations of tangible fixed assets. This change had the effect of increasing reported pre-tax profits by £20.9m (£17.8m in 1982).

The directors report that the year 1983 was characterised by the group's entry into the U.S. cement and concrete industry, expansion in the UK by the acquisition of Aberthaw Cement and the continuing modernisation of UK cement plants. As a result of this expenditure, net interest charges more than doubled to £21.4m (£10.3m).

A geographical analysis of pre-interest operating profits shows:—UK £58.3m (£52m) or 44 per cent (same); Australasia £11.3m (£11.7m) or 8 per cent (10 per cent); Africa £31.6m (£32.2m) or 24 per cent (27 per cent); U.S. £9.5m (£0.5m) or 7 per cent (—); Latin America £7.5m (same) or 6 per cent (7 per cent); Asia and Middle East £15.4m (£14.3m) or 11 per cent (12 per cent).

After all charges, retained profits were down sharply from £69.9m to £18.6m. This reflected extraordinary debits of £9.8m (£17m credits) and a £20m transfer to deferred tax this time—as a result of the proposed reduction in the rates of UK capital allowances and in the rate of corporation tax.

The extraordinary items comprised a £2.5m provision in respect of two cement works and a gypsum quarry which will be closed in 1984; an £8m provision against the Indonesian investment; less £0.7m net profit on the sale of investments.

Profits were 12 per cent higher in the UK due mainly to the contribution from Aberthaw Cement arising from the acquisition of the outstanding 74 per cent of that company and excellent progress by Armitage Shanks, the directors state. UK deliveries of cement (including Aberthaw for the full year) amounted to 7.96m tonnes.

The price of cement remained unchanged throughout the year apart from some reductions in Northern Ireland to meet competition from imports. Inflationary increases in costs have been counteracted by improvements in efficiency. These have, however, involved redundancy costs of £2.7m which have been shown as an exceptional item.

Operating profits from Armitage Shanks—maker of bath room products—rose from £8.1m to £11.1m, of which £7.8m (£5.1m) was earned in the UK and £3.3m (£3m) from overseas.

Overseas profits have benefited substantially from the acquisition of the cement operations in the U.S. Three cement plants and a lime plant were acquired in May for a consideration of U.S.$103m. The plants are situated in Oklahoma, Alabama and Georgia with distribution terminals in other states. These operations have been rapidly and smoothly integrated into the group. Ready mixed concrete plants were also acquired in Phoenix and Tucson, Arizona.

These operations combined have, since acquisition, contributed £8.2m to operating profit, a performance, the directors say, materially better than was contemplated at the time of acquisition.

Profits remain low in Mexico but the refinancing of the group's related company there has now been completed placing it on a more stable footing for the future.

Elsewhere, Malayan Cement did particularly well, as did West African Portland Cement. In Australia, Blue Circle Southern Cement also reported higher profits. Cemento Melon in Chile more than doubled its operating profit but higher interest, related to project finance previously capitalised, became chargeable against profits in 1983 materially reducing its contribution.

See Lex

HIGHLIGHTS

Lex looks at the first quarter figures from ICI where profits of £245m are well up to anything the market was looking for. This may provide ammunition for the cynicism that has troubled the shares since the beginning of the year. Lex then goes on to comment on the results of House of Fraser where the profits line of £38.7m against £30.9m was slightly disappointing—but that can be more than explained by the Christmas bombing. The column then turns its attention to the wider aspects of the building industry where there were results from Blue Circle and Wimpey. Both have come up with more or less unchanged profits while echoing each other's thoughts on the declining returns from developing countries and the need for U.S. expansion. Finally Lex comments on the complicated $800m issue by the Kingdom of Sweden.

ICI leaps by £117m in first quarter

FOR THE first three months of 1984 pre-tax profits of Imperial Chemical Industries totalled £245m.

This was an improvement of £71m on the figures of the preceding quarter and a rise of £117m on the £128m reported for the opening three months of 1983.

The directors say the improvement arose mainly from higher sales volumes at better margins.

All major business sectors operated profitably and all performed better than during the previous quarter, with the improvement being mainly in Western Europe. Profits outside Europe were little changed.

Particularly good results were achieved in pharmaceuticals and agriculture and further improvements were made in the commodity chemicals businesses.

Group turnover for the first three months of the current year amounted to £2.37bn (£2.02bn) and consisted of chemicals—UK £588m (£533m) and overseas £1.48bn (£1.27bn) and oil £305m (£219m).

Sales volumes and prices both increased by 2 per cent with exchange effects accounting for the remaining 1 per cent. Chemical exports from the UK, at £323m, were 28 per cent higher than in the fourth quarter.

The group's oil business produced trading profits of £31m in the opening three months, compared with £29m for the fourth quarter of 1983, after PRT of £32m (£31m).

The tax charge, which included all taxes, amounted to £90m (£49m for the corresponding months of 1983) comprised £66m (£36m) of UK corporation tax and £24m (£13m) tax of overseas subsidiaries and principal related companies.

UK corporation tax was provided at 46.25 per cent, the expected average rate for the accounting year 1984.

Pre-tax profits for the first three months were struck after deducting depreciation of £107m (£105m). Attributable profits emerged £72m ahead at £146m and earnings rose by 11.6p to 23.9p per £1 share.

Group pre-tax profits for the 1983 year more than doubled to £619m.

See Lex

George Wimpey off £0.7m after second half fall

A DOWNTURN of £2.7m in second-half profits of George Wimpey has left this construction engineer just behind for the year 1983 at £45m pre-tax, compared with £45.7m.

Turnover for the 12 months amounted to £1.48bn, against £1.24bn, including £322m (£716m) from the UK.

Mr C. J. Chetwood, chairman and chief executive, says, however, that despite many difficulties and continuing low economic activity in the UK, operating profits were maintained at £56.8m (£55.7m). "This is a good result in the circumstances. The group's financial position remains strong."

Above the line, exceptional losses of £41.7m were more than offset by exceptional profits for the period of £42.1m, associate losses amounted to £0.1m (£0.8m profits), and net interest payable was slightly higher at £11.1m (£10.8m).

Earnings per 25p share were 13.2p (15.7p) and the dividend is effectively lifted to 3.08p (2.73p adjusted) with a final distribution of 2.2p.

The exceptional profits for the year were those realised on the disposal of the group's interest in Euston Centre Properties and eight other property companies—revaluation reserves of £41.5m have been realised on these disposals.

The exceptional losses for the period arose from a contract to construct a hydro electric scheme in Swaziland, amounting to £9.6m; the cessation of a joint venture high rise residential property development in central Hong Kong costing £9.2m; losses totalling £22.9m on the group's 49 per cent interest in an electrical and mechanical engineering company in Saudia Arabia which is in financial difficulties.

Dividends announced are on Page 24

Results in the housing sector started to improve, the chairman says, in 1983 and the upward trend continued during 1983 with 9,330 house sales legally completed.

Mr Chetwood explains that the group has "restructured to offer a total capability in the sectors of energy and process engineering."

The chairman says he is particularly pleased with the group's progress in the U.S. Apart from 850 house sales in Texas last year, directors have also established a "significant presence" in the Californian homebuilding market with the Morrison Homes acquisition.

Wimpey's wholly-owned investment programme was strengthened during 1983 and net rental income rose by £2.3m to £8.5m, while rent reviews currently underway may further increase income during 1984.

Mr Chetwood believes there is ample scope to build on the group's underlying financial strength and strong position in a number of markets.

Tax charge amounted to £7m (£7.4m), minorities £0.9m (£0.3m credits) and after an extraordinary debit of £11.2m — deferred tax — the attributable balance came through down from £35.6m to £25.9m. Dividends will absorb £8.6m (£7.7m).

See Lex

Exports help boost Laporte to £30m

A JUMP of 50 per cent in pre-tax profits has been shown by Laporte Industries (Holdings) for the year to the end of January 1984 and Mr R. M. Ringwald, chairman, says that the current year has shown a "very encouraging" start.

Pre-tax profits rose from a restated £20.12m to £30.22m for the year following a rise of £4.14m to £13.71m at the halfway stage.

The net final dividend has been raised from 5.25p to 6.5p which lifts the total from 8.75p to 10.5p. Earnings per 50p share rose from 18.5p to 28.7p.

The dividend will be paid on capital increased by a rights issue last year, and the payment is an improvement on the forecast made then of a not less than maintained total for the year. A 1-for2 scrip is also now proposed.

Mr Ringwald says the improved results were due to three main factors: better performance in the UK as a result of increased exports, rising contribution from companies newly acquired by Laporte and, to a smaller extent, interest from the proceeds of the rights issue in the second half of the year.

Cash performance was much improved, with a net inflow for the year of £8m in addition to £20m raised by rights. The year-end net borrowings of the group were reduced to £7m.

Group sales, of this maker of specialty chemicals, for the year, including the attributable share of the related Interox principal companies, advanced from £240.87m to £290.23m. At the halfway stage the directors said that one of the highlights of the opening half had been that the Interox operation in the U.S. had begun producing a cash surplus on its revenue account.

A breakdown of turnover and profits by geographical area shows: UK £133.91m (£111.51m) and £16.32m (£10.29m); Australia £36.68m (£33.18m) and £1.54m (£2.59m); other overseas subsidiaries £21.2m (£11.72m) and £32,000 (losses £237,000). The total turnover figure also included £98.44m (£84.46m) from the Interox principal companies attributable share.

After lower interest payments of £1.59m against £3.14m, the share of results from Interox related companies grew from £10.11m to £13.19m. Other related companies contributed £720,000 (£507,000).

Tax charge amounted to £11.95m against £9.09m, including £7.71m (£5.16m) for related companies. Extraordinary debits came to £2.31m (credits £79,000) including a £2.45m provision for deferred taxation.

At the attributable level the balance increased from £11.11m to £15.96m, from which dividends will absorb £7.12m (£5.1m). The transfer to reserves is up from £6.01m to £8.83m.

The directors say that results for 1982 have been restated in line with the new accounting standard on foreign currency translation.

On a current cost basis pre-tax profits came to £20.01m (£11.3m) and earnings per share to 12.6p (3.7p).

● comment

These results confirm how attractive Laporte will look once the £90m deal to sell its titanium dioxide business is completed. It is not that this division is doing badly — it made increased profits last year — but the cash released will cut Laporte's links with cyclical commodity chemicals and allow it to concentrate further on its portfolio of speciality companies. With year-end borrowings only £7m, there is already plenty of scope for more growth by acquisition. No breakdown is given of the performance of the existing largely UK-based speciality companies—though all are said to be profitable and benefiting particularly from export growth. The other major arm of Laporte, the Interox business, jointly owned by Solvay, gained ground from sharply increased sales, but the new venture in the U.S. is still to break into profit. In the current year, interest earnings should replace titanium dioxide profits, and overall the group should make £42m pre-tax. The shares, up 12p at 468p, trade at a prospective multiple of just under 12, on a 40 per cent tax charge, somewhat cheaper than other speciality chemical stocks.

Farnell hoists profits and dividend by 50%

Farnell Electronics, the electronic component distributor and maker of power supplies, hoisted pre-tax profits by over 50 per cent from £10.44m to £15.79m in the year ended January 29 1984. Turnover increased by nearly 40 per cent to £62.86m, against £44.99m.

A final dividend of 1.8p (1.25p) net lifts the total payment by 50 per cent from 2p to 3p. Earnings per 5p share climbed from 8.5p to 13.1p. A one-for-one scrip issue is also proposed.

After tax of £7.65m (£5.18m) and minorities of £2,000 (£3,000), net profits were ahead from £5.26m to £8.16m. The dividend absorbs £1.57m (£1.24m), leaving a retained balance of £6.23m against £4.02m.

A divisional analysis of turnover and pre-tax profits shows respectively (with 000s omitted): electronic component distribution £38,354 (£27,418) and £10,857 (£7,197); electronic manufacture and marketing £20,152 (£13,911) and £4,033 (£2,163); consumer goods distribution £4,350 (£3,667) and £142 (£44); other profits, including parent company, £960 (£1,039).

Trading profit rose from £9.19m to £14.77m after charging £638,000 (£390,000) for the employee profit-sharing scheme and a £150,000 "topping-up" payment last time to the trustees of the pension scheme. Other income added £1.02m (£1.25m).

● comment

Farnell Electronics came through the recession reasonably unscathed and is doing impressively well whilst there is the current strong demand for components. The market has recognised the strengths of the company (efficiency, steady growth in margins, a wide spread of customer) and the shares have equally commanded a premium rating. There is only limited scope for further improvements in efficiency and the same strong growth in manufacturing is not expected to be repeated in the current year. So profits growth will depend largely on volume gains. Nevertheless, Farnell should manage to increase turnover by a third and push pre-tax profits up around the £20m mark. That puts the shares, up 3p yesterday, at 433p on a p/e of 24.5, fairly valued for the present, though Farnell should share in any further gains made by the sector as a whole.

Better first quarter for Vickers

Vickers, the engineering group which makes Rolls-Royce cars, said yesterday its financial position in first quarter 1984 had shown an encouraging improvement over the same period of 1983.

In 1983 the group's profits were achieved mainly in the second half of the year. First half profits fell 26 per cent to £7.5m, but the full year pre-tax result was £19.5m, virtually unchanged on 1982's £19.6m.

Chairman Sir Richard Cave, told the annual meeting that in the UK, "I have been encouraged to see that there are clear signs that the recovery is continuing and in some cases, business is at a higher level than planned."

In the annual report earlier this month, the directors had said economic recovery was likely to be patchy.

Mr David Plastow, managing director and chief executive, said after the meeting that sales of Rolls-Royce cars in the U.S., the major market for the vehicle, were going well.

COMPANY NEWS IN BRIEF

Pre-tax profits of Whatman Reeve Angel, laboratory supplies manufacturer, expanded from £2.52m to £3.47m for 1983 and the dividend is boosted from 6p to 7.8p net per share with a final payment of 5.1p.

Turnover amounted to £23.92m, against £19.43m and the pre-tax figure was after net interest payable of £208,000 (£244,000), and £139,000 (£90,000) for the employee share participation scheme.

Earnings per 25p share are given as 38.87p (28.01p) basic and 37.66p (27.09p) fully diluted after tax £1.79m (£1.32m).

Directors say the outlook for the group remains promising.

* * *

Net asset value per share at Fleming Universal Investment Trust improved from 284.3p to 333.9p in the year to March 31, 1984. Earnings per share were slightly lower at 6.6p compared with 6.8p. The final dividend is unchanged at 4.75p net for a same-again total of 6.75p.

Gross income for the year was £2.55m (£2.52m). Expenses were up from £136,000 to £141,000, interest charges rose from £14,000 to £109,000, and tax was lower at £822,000 against £856,000, leaving revenue available at £1.47m (£1.52m). Attributable profits came out at £1.44m (£1.48m).

* * *

SPP, a pump manufacturing group acquired by its management and financial institutions from Booker McConnell last October, lifted pre-tax profits in 1983 to £1.1m, compared with £980,000. Turnover was £26m against £25m.

* * *

Higher full-year taxable profits of £106,000, against £85,000, were attained by H. C. Slingsby, a Yorkshire-based truck and ladder manufacturer.

Turnover for the 12 months to end-December 1983 rosef rom £3.17m to £3.91m. The taxable result was struck after interest of £8,000 (£13,000).

Slingsby has close company status and is holding the year's payout at 2.4p with an unchanged final of 1.8p. After tax of £27,000 (£26,000) earnings per 25p share on a nil basis were 10.5p (6.5p), or 7.9p (3.9p) on a net basis.

The directors have felt if prudent to write-off a proportion of ACT in the accounts, but point out that this amount is available to be recovered against future taxable profits.

On a CCA basis profits were reduced to £39,000 (loss £22,000).

* * *

Mr Bill Rooney, chairman of USM company Spring Ram Corporation, told the AGM that first quarter results were well ahead of those of the comparable period of 1983 and that with buoyant trading conditions in the home improvement industry and healthy order books he viewed 1984 with confidence. To facilitate future development a £6m capital spending programme has been launched. The group intends to seek a full listing within a year. It is currently capitalised at some £20m.

* * *

Mr Peter Meyer, chairman of Federated Housing, told the AGM that on present estimates group sales for 1984 should rise by 60 per cent. He said this was exceptional but that it mainly reflected the deal earlier this year whereby Federated took over Crouch Homes' housing stock and undertook to develop it.

* * *

Estates & Agency Holdings, property investor, achieved higher profits after tax of £280,801 against £228,822 for 1983. Earnings per 25p share came to 4.62p compared with 3.75p and the dividend for the year has been lifted from 2p to 3p.

Net assets per share came to 213p against 190p. The company is a subsidiary of Rosedimond Holdings.

Fraser lifts profits 25% to over £38m and pays 1p more

PROFITS, before tax, of House of Fraser, department store operator which owns Harrods, expanded by 25 per cent from a restated £30.88m to £38.76m for the year ended January 28 1984, on total turnover of £955.96m, against £876.73m, a rise of 9 per cent. VAT took £115m (£105.9m).

Current sales are ahead of this time last year and of internal budgets, and profitability at the half year should continue to show an improving trend, the directors state.

The directors point out that profits for the 12 months would have been higher but for the harmful impact of the Harrods and Oxford Street bombings upon all of the group's London stores at the peak Christmas and Sales period.

After tax of £9.91m, compared with £9.09m, earnings per 25p share advanced by 32 per cent from 14.3p to 18.9p and with a final payment of 6p (5.5p) the total dividend is stepped up to 8.5p (7.5p) net.

Three unprofitable stores were closed during the year, significant changes were made in administrative structures and staff numbers were reduced by 5 per cent, resulting in a 15 per cent increase in staff productivity, the directors point out.

Harrods increased its profit to record levels and the profitability of the rest of the Fraser stores showed a marked upturn, the directors state.

The Harrods major development programme added 40,000 sq ft of selling space to the Knightsbridge store, while many areas were redesigned, including the food halls.

New store designs for merchandise presentation were introduced at D. H. Evans, Oxford Street, Kendal Milne's, Manchester, Binns in Sunderland, Dickins and Jones, of Regent Street and Frasers of Glasgow. Fourteen new Lifestyle departments, selling merchandise aimed at younger people, have been opened in the larger stores, directors state.

Pre-tax figure was after interest of £8.36m (£8.6m) and a £1.62m (£1.26m) allocation to a profit-linked share plan.

After tax, an extraordinary debits of £999,000 (£791,000 credits) the available profits came out at £27.88m, compared with £22.58m. Dividends will absorb £13.04m, against £11.45m.

Within the extraordinary items was a £30.36m provision for additional deferred tax, which was met by a transfer from reserves of the same amount, while the other items included the surplus on sale of properties, less closure costs, and the costs of the Harrods demerger proposals.

As at January 28 last the group balance sheet shows total assets at £756.8m and shareholders' funds of £479.8m. Net current assets increased by £19.7m during the year. Total net borrowings amounted to £96m at the year end, equivalent to 20 per cent of shareholders' funds.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Aberdeen Trust, Lowland Investment, North Sea Assets.

Finals: Authority Investments, Henry Boot, Bremner, Clayton Son, Downiebrae, Flight Refuelling, Hopkinsons Holdings, Rock, Sunlight Service.

FUTURE

Interims:	
Arenson	May 8
Bellway	Apr 30
Devenish (J. A.)	May 24
Hepworth (J.)	May 1
Saatchi and Saatchi	May 1
Vaux Breweries	May 10
Windsor Securities	Apr 30
Finals:	
Bestwood	May 4
Davies and Newman	May 1
Deritend Stamping	May 24
French Kier	May 1
Miles 33	May 4
Seecombe Marshall & Campion	May 15
Singapore Para Rubber Estates	Apr 30
Witan Investment	May 15
York Mount	May 2

EIS rises to £3.6m as demand holds up

DEMAND WAS sustained in the second half of EIS Group, engineer, enabling the company to report record pre-tax profits, up by 14.7 per cent from £3.16m to £3.62m, for the year 1983.

And the directors are proposing to increase the final dividend from 3.5p to 3.85p, to lift the total by 10 per cent to 5.5p.

Group turnover rose by more than 20 per cent from £30.53m to £37.3m, with a strong performance by the process plant and machinery division, with sales up £7.5m at £19m. Aircraft engineering experienced a slight decline in sales, to £7.71m, against £8.64m.

Profitability was maintained despite the difficult market conditions prevailing in the capital goods industries, the board states.

A breakdown of taxable profit shows an improvement in all divisions. Process plant and machinery £1.55m (£0.99m); hydraulics and precision engineering £1.03m (£1m); aircraft engineering £745,000 (£741,000). Interest ook £303,000 (£431,000).

Although there are still no reliable signs of overall improvement in trading conditions, current orders are up by 20 per cent to total £26m. This is before taking into account the order book of the recently acquired Northampton Machinery.

Tax took less at £515,000, against £782,000

Minet provides an extra £4.5m for 'PCW affair'

DESPITE TRADING conditions in the world insurance markets remaining difficult Minet Holdings pushed its pre-tax profits up to a record £20.39m in 1983, an improvement of 15 per cent over the £17.8m returned the previous year.

The group also discloses that a further provision of £4.5m was made in connection with the "PCW affair."

As anticipated at the time of the interim statement, the rate of growth was lower in the second six months. The results for this period were adversely affected by a review, shortly to be completed by Richard Beckett Underwriting Agencies (formerly PCW Underwriting Agencies) of the various syndicates under its management.

It has formed the view that the members of those syndicates will face substantial underwriting deficiencies and accordingly, it was found necessary to reverse the profit commission incorporated in the first half results.

This involved a reduction of £1.5m in the group's pre-tax profits. Without this adjustment Minet would have reported a 24 per cent increase in profits, which would have been virtually in line with directors expectations at midyear.

(Referring to the Richard Beckett Underwriting Agencies, the directors say: "The PCW affair has continued to involve a considerable amount of management time and expense. Our own investigation is now nearing completion and, to date, it has not been possible to publish a great deal of information regarding this affair, due to the sensitive nature of the matters under investigation, and the legal issues involved. Our investigation has been carried out in parallel with those initiated by the Department of Trade and Lloyd's. We have co-operated fully with those inquiries.

"The problems in the underwriting agency arose from various reinsurance arrangements which were made during the period 1970 to 1982 in connection with Syndicates, for which underwriting was arranged by PCW and its associated company, WMD Underwriting Agencies. The reinsurance programmes were immensely complicated and involved the formation of over 150 companies and trusts in at least seven different countries.

"Our investigation shows that various former directors of the agency, together with other individuals, derived an improper personal benefit from these arrangements and legal proceedings have been commenced against them.

"Our investigation has revealed that net reinsurance premiums equivalent to £38.9m are involved. The investigation team has so far located and secured assets valued at approximately £26.2m controlled from Gibraltar. We are strenuously pursuing the recovery of this money. Furthermore, negotiations are taking place with various parties with the objective of returning the balance at the earliest possible moment.

"Your group has continued to provide substantial financial and administrative support to the agency company. At the end of June 1983 we had incurred costs and made provisions totalling £2.2m. Following a detailed review of the current situation, a further charge has been made of £4.5m."

The directors say, however, that they are firmly of the view that the total extraordinary item amounting to £6.7m charged in the group's financial statements in 1982 and 1983 should be the maximum cost to conclude this affair.

They face 1984 with confidence.

Group turnover for 1983 rose from £55.47m to £63.02m

A divisional breakdown of the pre-tax result, which was favourably affected by currency movements to the extent of £2.8m (£1.9m), shows: broking £18.07m (£13.94m), underwriting £1.57m (£1.42m), Lloyd's £2.72m (£3.65m) and other activities £105,000 (£133,000 loss). Group services net expenses took £499,000 (added £337,000).

Earnings amounted to 12.35p (10.46p) per 20p share and a final dividend of 2.45p (2.1p) lifts the total from 4.55p to 5.18p net.

UBM surges past £10m and says 1984 bodes well

THE LAST two years have seen a "remarkable turnround" at UBM Group and the current year "bodes well" for the company, the directors state.

From the £2m loss incurred in 1981-82, UBM achieved taxable profits of £8.66m a year later and now reports £10.21m in the 12 months to end-February 1984.

The upsurge was ahead of the directors forecast of £10m made at the interim stage, when profits were £4.61m, considerably higher than the £325,000 earned in the comparable period.

All of UBM's major activities contributed to the increase. Building supplies contributed £3.27m more at £6.47m and glass activities profits were nearly trebled at £1.63m (£553,000). Elsewhere, motors earned £1.4m (£660,000), scaffolding £701,000 (£358,000), Neiman-Reed £1.24m (£554,000) and other activities made £115,000 (£118,000).

Total group turnover expanded from £306.13m to £321.13m and trading profits more than doubled to £11.55m (£5.44m). The taxable result was enhanced by a £1.42m cut in interest payable to £1.34m. Net borrowings were cut by £10m to £2.98m at the year end.

As forecast with earnings higher at 10.9p (2.2p) per 25p ordinary the final dividend is hoisted to 4p (1.2p), nearly trebling the total payout to 6.5p (2.2p).

Net profits came out at £6.74m, against £1.48m, after tax of £3.47m (£1.2m). Below the line there was an extraordinary debit of £183,000 (credit £1.03m) which incorporated the cost of the Norcros bid defence. Minorities were £302,000 (£156,000).

● comment

The attentions of a predator concentrate the mind wonderfully. Certainly, UBM was well on the path to recovery before the Norcros bid last year, but the unwelcome approach created a new sense of urgency, especially since Norcros retains a 37 per cent stake and will be in a position to renew its attack this autumn. These figures reflect the success of an all-round overhaul, yielding better margins on a slightly higher turnover. Gearing is down to 5 per cent against 22 per cent a year earlier and is still falling. Yet more could be done—trading margins in the substantial motors division are good for that sector, but in the predominant building supplies business they compare less favourably—3.6 per cent against 7.1 per cent reported by Travis and Arnold on Wednesday. Now that so much has been done to cut costs, a drive to win more volume growth must be a priority, though not, of course, at the expense of margins. The group is keen to talk about growth through acquisition, projecting as it were, the image of the hunter rather than the hunted. For the current year, £13m pretax looks possible; the shares, 152p up 1p, trade at a prospective p/e of about 10, assuming a 34 per cent tax charge, and yield 6.2 per cent.

British Assets 2% growth

CONTRASTING performances in the U.S. and UK investment markets were experienced by British Assets Trust in the six month period to March 31 1984.

While there was a 17 per cent rise in the UK, the U.S. fell by 4 per cent but there was a small benefit arising from the higher dollar. This enabled the trust to keep in line with the markets and push up its net asset value by 2 per cent to 204p per 25p share at the end of the period—the value compares with 185p a year previously.

Some 90 per cent of its assets are invested in the U.S. and the UK. Investments include its 67.5 per cent interest in GBC Capital, which is valued at £51.6m.

A higher second interim of 1.4p (1.2p), making 2.7p (2.4p) so far, has been declared and a full year total of not less than 5.5p (4.9p) is forecast. Earnings for the period were 2.47p (1.9p).

Income rose from £3.7m to £4.37m and prospects for income growth have improved markedly in the opening six months.

HongkongBank Group -increase in profits in 1983

The Chairman reports:

Mr M G R Sandberg, CBE, Chairman

Results for 1983

Despite worldwide economic adversities in 1983, the group once again increased its profits, to HK$2,492 million, an increase of 5.7 per cent compared with 1982.

At the Ordinary Yearly General Meeting a final dividend of 37 cents will be recommended.

As in previous years, a bonus issue will be recommended, this time on the basis of one new share for every four held.

Your Board expects to be able to pay at least the same quantum of dividend for 1984 as for 1983 – not less than HK$0.44 per share as increased by the recommended bonus issue.

The Economic Situation

During 1983 we could see the global economy begin to emerge from its long and deep recession, but there has been an uneven pattern of recovery.

The Asia-Pacific region is going to be a prime testing ground for the ability of the banking system to cope with the problem of resource allocation. During 1983 the region as a whole demonstrated remarkable resilience in the face of difficulties shared with other major trading and producing areas.

Expansion of Hong Kong's economy accelerated in the second half of the year and into 1984 when exports showed record figures and order books were being rapidly filled. Action to stabilise the Hong Kong dollar, taken by the Government in the autumn of 1983, brought about a steadying of business confidence which has continued since. Confidence has subsequently been boosted by progress in the discussions between the United Kingdom and The People's Republic of China on the constitutional future of Hong Kong. This sentiment rests on the general expectation that the final form of the agreement will embody assured recognition of Hong Kong's distinctive needs.

Greater overseas investment in Hong Kong during 1983 indicates how the territory's prospects are now perceived by its growing community of international investors, both individual and corporate. Your Bank shares this confidence and looks forward to promoting the economy of the territory, not only in its home base, but through our worldwide network.

New Headquarters

Work on our new headquarters building, in Queen's Road Central, has settled down to a smooth and rapid routine of construction, and we can now look forward to the first phase of occupation, in July 1985, starting with the banking hall.

Commercial Banking

Although we faced intensifying competition and difficult trading conditions in all our main operating areas, the results nonetheless show that our operations remain strong. Fortunately by the standards of other leading banking groups around the world our exposure to the difficulties of sovereign debt is comparatively small.

The Hang Seng Bank has again produced good results and undertook a significant role in supporting industrial sectors in a difficult period.

Our Area Office China was closely involved in the increasing commerce between Hong Kong and The People's Republic of China, and our close association with China over more than a century is an established asset.

Marine Midland Bank reported income growth of 16.2 per cent which brought profits in 1983 to just over US$100 million; our partnership constitutes a source of real strength to both banks.

The British Bank of the Middle East again reported increased results, despite the drop in Middle East oil revenues and region-wide political problems.

HongkongBank opened further branches in various centres, as far apart as Valparaiso and Leeds. The representative office in Taiwan has now been upgraded to full branch status.

In the first half of 1984 we plan to open a representative office in Stockholm, the first permanent presence for the group in Scandinavia.

Merchant Banking

Our merchant banking operations had a difficult year, affected both by adverse conditions in the world markets and by some local problems. These adversely affected the performance of Wardley Limited in Hong Kong in the first half of the year. However, developments in the second half of the year have struck a more positive note. Wardley Australia had a particularly good year. Wardley Middle East and Equator Bank Ltd continued to expand their operations and contacts in the markets of the Middle East and independent Africa respectively.

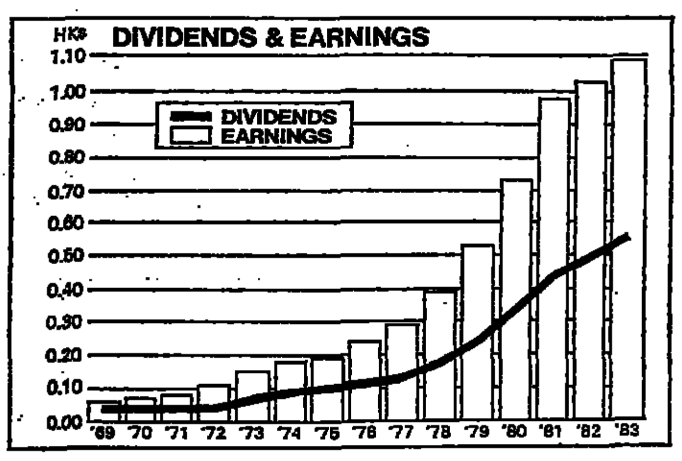
Finance and Investment

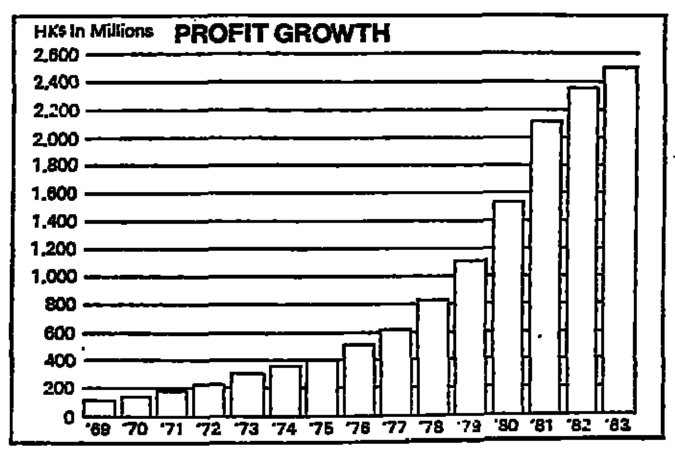
Grenville Transportation Holdings Ltd, which holds our transportation portfolio, produced very satisfactory results.

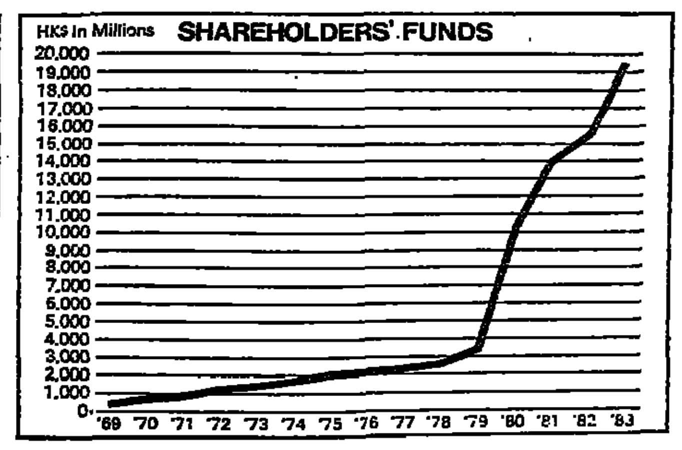
Our hire-purchase and finance companies in Hong Kong, Brunei, Malaysia, Singapore and the Middle East all reported satisfactory results.

Insurance

The Carlingford and Gibbs Insurance Groups continued their expansion, both geographically and in services. The cross-marketing of group capabilities is gaining wider recognition for the group's insurance strength.







Main Results	1983	1982	1983
	HK$ millions		£ millions
Total Assets	470,315	379,186	41,606
Issued Capital	5,720	5,200	506
Total Shareholders' Funds	19,586	15,606	1,733
Group Profit	2,492	2,357	221
Transfers to Reserves	504	440	45
Total Distribution	1,258	1,144	111
	HK$		£
Earnings per share (adjusted)	1.09	1.03	0.10
Dividend per share (adjusted)	0.55	0.50	0.05

HongkongBank

The Hongkong and Shanghai Banking Corporation

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The British Bank of the Middle East
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UK COMPANY NEWS

Jas. Neill improves but short of target

James Neill Holdings, Sheffield-based hand tool manufacturer, swung round from a pre-tax loss of £574,000 to a £196,000 profit in 1983. But Mr J. H. Neill, the chairman, says that although it was a better year, the improvement over 1982 was not as great as had been hoped for.

Sales were up from £44.96m to £45.19m but fell short of target, and with a worldwide surplus of manufacturing capacity, competitive forces prevented the company from achieving the price levels it sought.

In order to accelerate the rate of recovery, changes were made in December to the company and management structures. Plans were drawn up to concentrate manufacturing resources and thereby to reduce fixed assets and to free land and buildings for sale or other use.

These moves are now being implemented and although they involve further exceptional expenditure, significant long-term cost savings are anticipated.

Demand since the autumn has been encouraging, says Mr Neill. In the first quarter of 1984 the company met its sales and profit targets and the chairman is hopeful that this improving trend will continue.

A final dividend of 1p net is recommended, which with the special interim, makes 2p for the year—no payments were made in the previous two years.

Pre-tax results were after exceptional charges of £535,000 (£150,000 credits)—being redundancy and relocation costs. Tax took £247,000 (£136,000), but there was an extraordinary credit this time of £516,000. Losses per 25p share decreased from 4p to 0.3p.

Telephone Rentals optimistic as profits top £14m

ALTHOUGH turnover of Telephone Rentals remained static over the 1983 year group profits at the pre-tax level rose from £12.73m to £14.22m, an increase of 11.8 per cent.

The contribution by the UK activities improved by 6.8 per cent but the overseas operations did even better, raising their contribution by 40.5 per cent.

The directors, headed by Sir Charles Ball, the chairman, are expecting more growth in both areas and are confident that 1984 will show a further increase in group profits.

Meanwhile, on the back of a 4.28p rise in earnings to 13.67p the final dividend is being lifted from 3p to 3.75p to make a net total of 5.75p (5p) per 25p share.

Pre-tax profits were struck after taking in a higher associates' share of £363,000, against £193,000, but lower net interest receivable of £516,000 (£962,000). Depreciation took £7.96m, compared with £6.77m previously.

Tax fell from £5.39m to £3.53m and after minorities of £56,000 (£55,000) net profits showed an improvement of £3.32m to £10.61m. The comparative figure was subject to an extraordinary credit of £2.41m.

Turnover, at £57.59m, against £57.23m, broke down as to rental £32.81m (£30.18m) and sales and other £24.78m (£27.2m).

Orders for new rental and sale business in the first quarter of 1984 continued at an "encouraging high level," the directors say. In 1983 a higher level of rental installations fitted contributed to a material reduction in UK tax.

After six months pre-tax profits had risen by 4.2 per cent to £6.42m (£6.16m). In their interim statement the directors said that in view of an increasing level of business they were of the opinion that figures for the full year would be higher than those of 1982.

● comment

The relaxation of Telecom's monopoly was never destined to provide an immediate profits bonanza for Telephone Rentals. But that change, no matter how slowly it moves, is steadily widening TR's potential market. The upshot is a predictable increase in its rental book, although at some cost to direct sales, which of course results in higher depreciation and a gradual dwindling of cash balances. Rapid rental growth takes the gloss off short-term profits—by the end of this year TR will be borrowing from the bank for the first time—but nevertheless the market must be looking for a £16m to £17m profit this year. Meantime, its non-telephone operations—telex, time and security monitoring, staff location and paging, etc—which after all accounts for 60 per cent of rental assets despite the name, have all been performing well. The shares have been a touch volatile of late yet at 188p, up 10p, they are ideal for those who hanker after steady growth—albeit without thrills and spills.

H. Perry ahead but pressure on margins

TAXABLE PROFITS at Harold Perry Motors, Ford main dealer, rose by 8 per cent from £3.18m to £3.4m in 1983. The company proposes an improved final dividend of 2.5p, against 2.25p, to lift the total from 3.75p to 4p.

Turnover increased by £21.81m to £122.59m, of which new car sales, up by 20 per cent, accounted for the major part of the improvement. This division, despite acutely depressed profit margins, managed a 35 per cent rise in profits.

All but one of the other group operations pushed up sales and provided 72 per cent of total profits. These include hire purchase, vehicle leasing, contract hire, spare parts and self-drive hire. There was no marked recovery in commercial vehicle sales.

Operating profit was up by £696,000 to £4.28m, but interest took an increased share at £871,000, against £419,000. Tax absorbed £1.68m (£890,000), and there was a deferred tax adjustment of £1.74m. Earnings per share were 10.1p (12.6p).

Commenting on the current year the directors say that profits in the first quarter were down from £1.09m to £882,000, reflecting the extremely competitive pressures on market share and profit margins.

Clive Discount down by £0.6m: pays extra 12½%

PROFITS AT Clive Discount Holdings fell from £1.85m to £1.26m in the 12 months to March 31 1984.

The profits were struck after provision for rebate, taxation, transfer to contingencies reserve and the write-off of goodwill on the acquisition of Page & Gwyther.

A less favourable market background was encountered by Clive, with base rates declining from 10½ per cent to the current level of 8½-8¾ per cent. Conditions were relatively stable and running margins were extremely narrow, the directors report.

However, turnover in Clive's main areas of activity, namely short-dated gilt-edged securities, eligible bills and certificates of deposit, was substantially higher than in any previous year.

This enabled a satisfactory result to be achieved after the goodwill write-off and making the usual provisions. There were no tax losses brought forward.

The net dividend total is being lifted by 12½ per cent to 3.6p (3.2p) with a higher final payment of 2.2p (1.9p). After payments of all dividends and a transfer to capital reserve of £225,000 last time, a balance of £356,000 (£888,000) was retained.

As at the year end, shareholders' funds were up 18 per cent at £9.5m, compared with £8.05m a year earlier.

As at March 31 1984, Clive had current assets of £436.84m (£385.9m).

Fixed assets stood at £415,000 (£351,000) and trade investments amounted to £1.11m (£826,000). Current liabilities totalled £427.36m (£378.53m), giving net current assets of £9.48m (£7.37m).

● comment

Though a small player in its market, Clive regularly attracts attention through being the first of the discount houses to report its figures. The profit and asset value numbers contain no surprises this time, but the dividend increase looks a touch meagre. Perhaps Clive takes the view that the rehabilitation of its share price from the dark days of 1980 is being adequately seen to by speculative interest. In this context, the company's emphasis on its stock market ambitions is interesting. Its market-making activity in gilts is a common enough feature in the sector, but perhaps as one of the smaller houses—and arguably more vulnerable to changes in the City's structure—Clive feels the need to advertise its wares to potential predators.

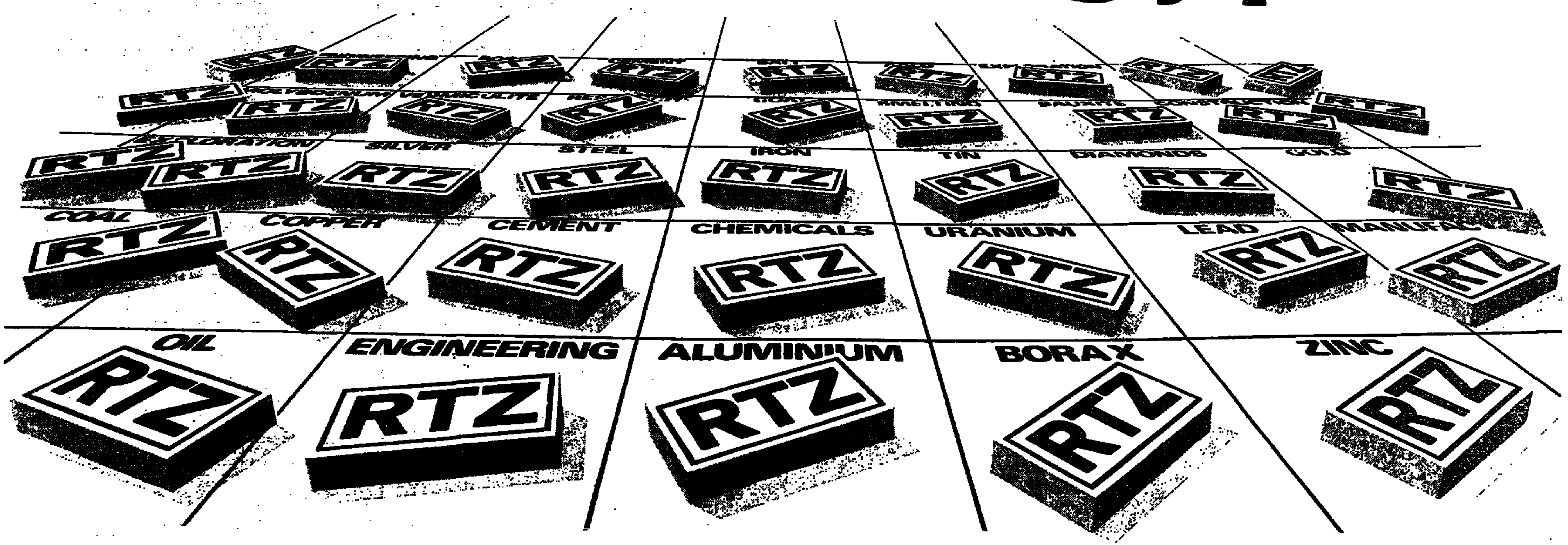
DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anglo Scottish Inv ...int	1	July 4	0.9	—	2.6
Biddle Holdings	7.6	June 11	7.6	10	10
Blue Circle	13	July 2	12.25	19	18.25
Border & Southern int	1.3	June 8	1.3	—	3.15
British Assets ...2nd int	1.4	—	1.2	—	4.9
Brit Vending	0.42	July 2	0.35	0.77	0.7
Clive Discount	2.2	June 12	1.9	3.6	3.2
Cole Group	2.5	July 4	2	4	3
Edinburgh Investment	1.5	June 29	1.3	2.5	2.18*
EIS Group	3.85	—	3.5	5.5	5
Estates & Agency	3	—	3	3	2
Farnell Electronics	1.8	July 2	1.25	3	2
Norman Hay	2.32	—	1.83	3.57	2.1
House of Fraser	6	July 6	5.5	8.5	7.5
Lake View	2.85	—	2.7	4.4	4.25
Laporte Industries	6.51	June 15	5.25	10.5	8.75
Minet Holdings	2.45	—	2.05	3.15	4.8
James Neill	1	June 4	Nil	2†	Nil
Office & Elec	5	July 4	5	7.5	7.5
H. Perry Motors	2.5	July 3	2.25	4	3.75
Whatman Reeve	5.1	—	3.8	7.8	6
Samuel Properties ...int	1.5	June 26	1.43	—	5.2
Telephone Rentals	3.75	July 2	3	5.75	5
UBM Group	4	July 16	1.2	6.5	2.2
Utd Wire ...int	2.2	July 2	2.2	—	5.75
George Wimpey	2	July 2	1.95*	3.05	2.73*
Wire & Plastic	1.1	—	1.05	2.1	1.9

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Includes in special interim.

RTZ '83

Broadly based, strongly placed



RTZ activities originally concentrated almost exclusively on mining and more recently have been broadened and diversified. Many of the Group's low-cost mines have by-products which contribute substantially to their overall profitability. Group companies now operate throughout the world in a wide spread of industries related to natural resources. These include metal processing and fabrication, engineering, the production and sale of chemicals and of construction materials and developing energy interests. Because of diversification and persistently weak base metal markets, the relative importance of RTZ's industrial interests in recent years has grown in relation to mining.

Results

Our results this year show a satisfactory increase over 1981 and 1982, two of the most difficult years the mining industry has had to face since before the war.

RTZ's profitability depends significantly on metal prices. In some cases prices were even lower in 1983 than in 1982, and so the improvement in our results is all the more welcome. It stems partly from our broad geographical and industrial spread, and partly from the rigorous attention to costs throughout the Group.

Group companies now produce significant percentages of the Western World's bauxite, copper, iron ore, lead, tin, uranium and zinc, and lesser quantities, mainly as by-products, of gold, molybdenum and silver. Our mines are, for the most part, low-cost producers and can therefore show reasonable profits even when other mines are working at a loss. This is especially true in the case of copper, with Palabora to the fore as one of the most efficient and low-cost producers in the world.

These mining activities are supplemented by a broadening industrial base, mainly in the UK and North America, in cement and other construction materials, in metal fabricating and light engineering and in borax and its derivatives. Our interests in oil and gas are also expanding, and we hope to see further growth in this area during the next few years.

Outlook

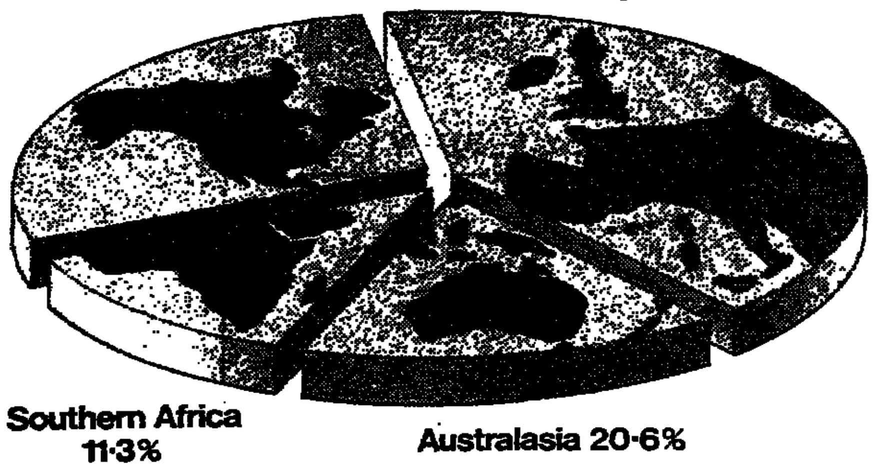
What of 1984? Forecasts of metal prices are notoriously difficult, but, provided the economies of the OECD countries continue on their present course, the increased level of activity will benefit most parts of the Group and, considering the difficult conditions still being faced by the mining industry, the current year should be satisfactory. It would, however, be prudent to sound a note of caution because of uncertainties about the year's exchange rates. The impact of exchange rate movements on our business is highly complex as the many currencies involved often move in different directions and sometimes metal prices move in the opposite direction to exchange rates. If the US dollar continues to weaken, our reported profits could be adversely affected.

Highlights from the Accounts

	1983	1982
Group sales revenue	£4,811.0m	£3,680.4m
Operating profit	623.5m	403.3m
Profit before tax	575.2m	341.0m
Profit after tax	296.3m	173.1m
Net attributable profit	172.5m	103.5m
Earnings per ord. share	59.31p	*38.44p
Dividends per ord. share		
Interim—paid	6.0p	5.5p
Final—proposed	12.0p	10.5p

**Adjusted for rights issue*

Geographical source of profit by %



Metal prices

Last year we said that it would be some time before economic recovery came through to raw material producers. That was a sound prediction. International prices of lead and many minor minerals were lower in 1983, a year of recovery, than in 1982, and in many more instances, including copper, weakened markedly in the latter part of the year.

Those metals that did best, such as aluminium and to a lesser extent zinc, are more orientated towards the broadly based consumer spending that has so far fuelled the recovery, particularly in North America. They benefited also from heavy Eastern purchases, from continued substitution in their favour, and from the earlier sharp cutbacks of output by producers in the face of rising stocks.

The laggards are sold mainly to the intermediate and capital goods industries which have been scarcely touched by recovery; major markets in Europe and Japan have remained weak; and supply did not react sufficiently to falling demand.

In many metals, and again this includes copper, there is chronic over capacity that appears likely to persist for some years. We should, however, not underestimate the ability of the metal markets to spring surprises and confound established wisdom.

Protectionism

Our wide geographical spread means that we have a keen interest in the maintenance of an effective liberal international trading system. In this respect we have noted with growing concern the spreading tentacles of protection which are gradually choking trade in metals. The calls for protectionist measures against imports, often regardless of their relative costs, are understandable in conditions of rampant over-capacity and weak markets. Protection in any form is, however, merely a short term palliative rather than a fundamental cure to underlying economic problems.

Experience shows that temporary protectionist measures seldom, if ever, achieve their desired effects, whatever their sponsors originally claim, and as often as not turn out to be permanent.

Anthony Tuke
Chairman
6 St. James's Square, London SW1Y 4LD

RTZ The Rio Tinto-Zinc Corporation PLC

If you would like a copy of the RTZ annual report including Sir Anthony's full statement please write to: Central Registration Limited, 1 Redcliff Street, Bristol BS1 6NT

BIDS AND DEALS

Midland Industries share price slumps 56% to 7p

BY ALEXANDER NICOLL

THE SHARE price of Midland Industries, a Wolverhampton-based engineering and foundry group, lost over half of its value yesterday. This followed the sale by Swiss-based businessman Mr Edward Nassar of part of his recently acquired stake in the company.

Mr Nassar disclosed earlier this month that he had taken a 7½ per cent stake in Midland and in response the share price rose 6p to 24p on April 11. But earlier this week Mr Nassar told the company that he had sold 300,000 shares, or 2.3 per cent, and yesterday the price fell 9p to 7p, a fall of 56 per cent.

At yesterday's closing price, which compares with a 1983 high of 50p, the company has a stock market valuation of £905,000.

Midland has yet to report full year results for 1983 but said in October that it was then trading profitably after recording a first half loss of £1.83m, compared with a pre-tax profit of £305,000 in the comparable period.

In the whole of 1982 Midland had pre-tax profits of £551,000 on turnover of £24.78m.

No directors of Midland were available at the company's headquarters yesterday, and the company made no comment on the share price fall. Company officials said that the chief executive, Mr Peter Burton, and the company secretary, Mr Brian Meddings, were in London for routine talks with Midland's bankers.

The officials said Midland's brokers had informed the company of stock market rumours that it was discussing the appointment of a receiver, and stressed that the rumours were without foundation. Midland hopes to publish its 1983 figures in the near future, they said.

Mr Eddie Marsland, the company's chairman, owns 32 per cent of Midland. The company has spent heavily on developing new techniques and products when faced with a decline in the markets for its traditional foundry products.

Midland paid a total dividend of 2.6p per share in 1982 but passed its interim payment last year.

Comet reveals profits setback

Comet has revealed the extent of its profits setback in the formal offer document from Woolworth Holdings which is making an agreed £177m bid for the Hull-based electrical retailer.

When Comet's chairman Mr Michael Hollingbery reported record profits of £19.5m for the year to August 27 1983 he struck a cautious tone in his statement regarding future trading. The offer document from Woolworth reveals that Comet's profits in the half year to March 3 1984 were no more than about £12m, compared with £12.76m for the corresponding period. This was despite an increase in turnover estimated at £213m against £194m.

While the group's turnover increased by 9 per cent Mr Hollingbery points out that trading margins came under pressure.

After the disappointing interim outcome, the directors say that it is too early to forecast for the full year. However, the statement goes on to say: "As far as current trading is concerned, national industrial unrest always has a negative effect on consumer confidence resulting in a reduction in the level of retail sales. This is affecting Comet."

The performance is in stark contrast to most stockbrokers' estimates. Virtually all the analysts had been anticipating Comet to increase its profits this year to over £20m.

The statement goes on to tell shareholders that if Woolworth's offer goes unconditional, the directors intend to declare an unchanged interim dividend of 1p per share.

Mr Hollingbery says that as part of Woolworth, Comet would operate as an independent division under its existing management.

"While current trading conditions are difficult, I believe that, with the underlying trend of discretionary income remaining strongly upwards, improved consumer spending will occur once confidence returns.

"The combined resources of Holdings (Woolworth) and Comet should put us into a stronger position to take advantage of this and to continue our expansion plans."

BIDS AND DEALS IN BRIEF

English Association Group, merchant banking services concern, has subscribed through its wholly owned subsidiary, The English Association Investment Trust Company, for a substantial minority interest in Eckersley Hicks (Underwriting Agencies).

This is English Association's first venture into the Lloyds market and the directors consider the investment a natural extension to their business.

Eckersley Hicks acts for approximately 100 underwriting members of Lloyds and the involvement with English Association will enable it to take advantage of any suitable opportunities for expansion as a result of the Lloyds Act.

Mr Christopher Spence, a director of English Association, has joined the board of Eckersley Hicks.

* * *

Acceptances of the unconditional offers from Hawker Siddeley Group for Carlton Industries not already owned have been received in respect of 7.46m ordinary and 234,192 preference shares, representing 99.3 per cent and 47.3 per cent respectively of the ordinary and preference shares.

Prior to the offers Hawker held 72.4 per cent of the Carlton ordinary, which with the acceptances amount in aggregate to 99.8 per cent. The offers have been extended until 3 pm on May 17.

* * *

Mr Ian S. Salmon and associates have acquired from Pendragon Inc. of Liberia a total of 1.19m ordinary shares in Tamlin Securities representing 29.9 per cent of its issued share capital. A further 2,575,418 shares in Tamlin, being the balance of Pendragon's holding, have been acquired by non-discretionary clients of stockbrokers. Rensburg and Co. in Liverpool and Springer Bale and Lewis in London.

Tamlin (formerly Elpitiya Rubber Holdings) is an unlisted public investment holding and dealing company.

* * *

3i Ventures, the ventures capital division of Investors in Industry, has completed arrangements for the first tage of equity finance for Integrated Power Semiconductors (IPS), a high technology start-up to be based in Livingston, Scotland. Together with grants organised by Locate in Scotland, this forms part of a £15m funding package.

An initial tranche of £4.5m equity is being provided by a group consisting of Investors in Industry, Newmarket (Venture Capital), Scottish Development Agency, Charterhouse Japhet, APA Venture Capital Fund, and CIN Industrial Investments (owned by NCB Pension Funds). In addition the new company will qualify for £4.2m of Government grants.

The City merger wave has cleared the monopolies hurdle. The Department of Trade and Industry has decided not to refer four recent mergers between banks and stock exchange member firms to the Monopolies and Mergers Commission.

The deals are: Barclays Bank's 29.9 per cent stake in Wedd Durlacher Mordaunt, the jobbing firm, and its five per cent stake in de Zoete and Bevan, the stockbrokers; NatWest's 29.9 per cent stakein Bisgood Bishop, the jobbers, and Samuel Montagu's 29.9 per cent stake in Greenwells, the stockbrokers.

* * *

The offer from Petrelex for Viva Petroleum has become unconditional in all respects and will remain open until further notice.

As previously announced, acceptances have been received in respect of 6.05m Viva shares representing 94.52 per cent of the capital.

Petrolex intends to exercise its rights to acquire any outstanding Viva shares.

* * *

United Trust and Credit, a financial services group has acquired investment holding company, Avonlaw for £304,500 by the issue of 145,000 ordinary £1 shares at £2.10 each. Avonlaw has assets of approximately £300,000 in cash and short dated gilts, and its acquisition which is conditional on certain tax clearances will further strengthen the UTC's capital base for future expansion.

The directors of UTC have increased the authorised share capital in the company by £1m to £2.5m.

* * *

At 3.30 pm on April 25, further acceptances of B.A.T. Industries' offer for Eagle Star had been received in respect of 97,557 Eagle Star shares (0.07 per cent). Total acceptances therefore amount to 137,581,042 shares (99.46 per cent).

Elections for loan stock received during the period from 3.30 pm on April 11 until 3.30 pm on April 25 amounted to £210,025, which falls within the limit of £257,325 loan stock available for the current period for allocation to accepting shareholders of Eagle Star.

Accordingly, elections to receive loan stock received during the current period and valid in all respects will be satisfied in full. Elections to receive capital notes which are valid will also be satisfied in full.

* * *

Britannic Syndicate, a member of the Robert Fleming Group and accordingly a person acting in concert with Suter, has acquired a further 50,000 Francis ordinary shares at a price of 127p.

Samuel Properties at £1.6m

While turnover of Samuel Properties fell from £9.98m to £6.87m following a lower level of trading activity, pre-tax profits for the six months to December 31 1983 were virtually unchanged at £1.64m, against £1.65m last time.

The directors anticipate a satisfactory outcome for the year as a whole, although taxable profits are unlikely to equal last year's £4.27m, which included a £900,000 exceptional credit in connection with the surrender of a lease by an occupying tenant.

Tax for the half year was lower at £552,000 (£602,000) and earnings per 25p share rose from 3.6p to 3.81p. The net interim dividend is raised to 1.5p (1.45p)—last year's final was 3.77p.

Net property investment income was 14 per cent higher than for the previous corresponding period.

Pentos proposal

Pentos is proposing that the share premium account be reduced by the amount of the deficit at December 31 1983 on the group's profit and loss account.

Mr T. A. Maher, the chairman, says the company will wish to consider the resumption of dividend payments as profitability and cash generation continue to improve. He indicates that the purpose of the proposals is "to facilitate the payment of dividends out of future profits by the elimination of the deficit on distributable reserves."

For the proposals to be implemented the approval of shareholders, convertible loan stockholders and the court is required. Holders of the whole of the original loan stock, comprising £1.1m out of the total loan stock outstanding of £1.64m, have already sanctioned the proposals.

The interest rate on the loan stocks is to be increased from 13 per cent to 13.5 per cent per annum from and including August 1 1984, conditional upon the proposals becoming effective which is anticipated to take place next September.

* * *

Francis Inds—P. M. Tapscott, a director, purchased 15,000 ordinary shares increasing total interest to 48,500 shares. D. M. Saunders, a director, has bought by Emroy Finance 43,631 shares, altering total holding to 145,631 shares including those under option to him.

Sunbeam Wolsey—K. A. Mulcahy, a director, sold 80,000 ordinary shares.

Associated British Engineering—M. J. Barry, a director, has disposed of 200,000 ordinary shares, reducing beneficial holding to 209,478 shares.

Priest Marians Holdings—M. U. Rosenbaum, a director, has disposed of £14,945 ordinary Atcok units reducing holding to £23,850 units (15.74 per cent).

BANK RETURN

	Wednesday April 25 1984	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	48,196,180	+ 4,383,558
Bankers Deposits	582,537,630	— 71,447,459
Reserve and other Accounts	1,453,273,338	+ 23,432,069
	2,098,533,088	— 43,691,842
Assets		
Government Securities	384,443,419	— 91,415,000
Advance & other Accounts	577,485,228	— 101,890,067
Premises Equipment & other Secs.	1,131,045,482	+ 149,034,865
Notes	5,399,316	+ 565,160
Coin	159,643	+ 13,200
	2,098,533,088	— 43,691,842
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	11,980,000,000	+ 30,000,000
in circulation	11,974,600,684	+ 29,434,840
in Banking Department	5,399,316	+ 565,160
Assets		
Government Debt	11,015,100	—
Other Government Securities	2,179,187,713	+ 205,306,759
Other Securities	9,789,797,187	— 175,306,759
	11,980,000,000	+ 30,000,000

UK COMPANY NEWS

Wordplex full listing via offer for sale by tender

BY ALISON HOGAN

WORDPLEX, which sells and provides support for a range of electronic equipment and software for office automation, is coming to the market for a full listing.

It is making an offer for sale by tender of most of its issued share capital at a minimum price of 240p per share, capitalising it at £24.4m.

Wordplex is a wholly owned subsidiary of Canada Development Corporation, an investment holding company in which the Canadian Government has a significant stake and which decided that Worldplex, as a UK based group with minimal presence in Canada, was no longer an appropriate investment.

The issue will raise approximately £10m of new funds for Wordplex which will strengthen its balance sheet. CDC subscribed for shares worth £9.5m in Wordplex while the new chairman Mr John Heywood subscribed for £500,000 of shares for cash through his investment company Towergold, which will have around 2 per cent of the issued share capital with an option over a further 1.6 per cent.

Wordplex has carved out a niche from its main competitors Wang and IBM by concentrating on winning large orders from fewer clients aiming for major businesses and governmental organisations.

Wordplex went through a costly demerger from AES, which is another computer subsidiary of CDC, in 1980-81. The costs in buying back marketing rights and re-establishing independent distribution networks resulted in a pre-tax loss of £1.52m and £61,000 in 1981 and 1982 respectively. Turnover, however, increased from £17.2m in 1981 to £31.9m in 1983 when Wordplex made profits of £1.33m. It forecasts profits of not less than £800,000 for the first half of the current year to June 1984.

The yield on the forecast dividend is 1 per cent.

Wordplex should be admitted to the Stock Exchange by May 2, the closing date for applications, and dealings are expected to commence on May 10.

● **comment**

Wordplex comes to the market with an offer of an unusually high proportion of its issued capital, all but a 2 per cent stake taken by Towergold. Hill Samuel have decided that with no direct comparison on the UK Stock Exchange and only giants such as IBM and Wang as its main competitors to look to in the U.S., a tender method is the best way to sell the shares. The company has come to the market early after extricating itself from the disastrous AES merger. The company would be easier to assess another year or so on, but CDC could not wait that long to divest. A p/e of under 11 is not demanding for the office equipment sector which averages around 16. A fair institutional interest is expected so smaller investors hoping to get some shares should pitch the price comfortably above the minimum of 240p.

BSR ready for growth following shake-out

IN THE first quarter of the current financial year, Mr Bill Wyllie told shareholders of BSR International at yesterday's AGM of the Hong Kong-based electronics group, management has introduced "dramatic changes" in its Blauvelt, New York, distribution subsidiary.

It has also decided to close the parallel operation in Canada, moved out of the Philippines factory in the remote Bataan free trade zone and is now poised to sign a joint venture agreement in Singapore with a breakaway of executives from National Semi-Conductor.

As to current trading, Mr Wyllie said, "On balance we are about where we expected to be at this time of the year and there is no alteration to our earlier 1984 forecast of strong growth, predominantly in the second half."

The first half was proving one of consolidation after the major reorganisation of 1983—when 40 subsidiaries around the world were identified for closure, sale and liquidation, although BSR was still "cleaning up the skeletons which occasionally fall out of the cupboard."

Staff in the Blauvelt company has been trimmed from 170 to 70 people, and BSR now looks for "substantially greater profits" from its new policy of distributing only BSR products in the U.S., the group's most important market.

The Singapore semi-conductor business, which suffered badly last year from the collapse of the home video-games market, is on budget to make profits from July onwards. It now makes magnetic components for all the group's needs. Heads of agreement have been prepared with a new company called Team which will take a 50 per cent stake in BSR's Singapore operation to develop the new silicon packages required by the electronics industry.

Mr Wyllie added, "we are not at all concerned about the likely impact of sovereignty transfer to China."

E. T. Sutherland joining USM

E. T. Sutherland and Son, a Sheffield-based chilled and canned meats company, yesterday announced details of its offer for sale on the Unlisted Securities Market.

It is offering 3.75m shares (25 per cent of the total) at 95p each. At that price, the group is capitalised at £14.25m, against a net asset value of £5.5m.

The offer includes 1m new shares, which will raise about £725,000 after expenses. The rest is being sold by the directors and their families. In the year to last December, profits rose by 19 per cent to £1.6m before tax on turnover up by 14 per cent at £20.3m.

There is no profits forecast, but the directors plan to pay a total dividend of 3.33p net for the current year, which gives a 5.01 per cent yield at the offer price. On an actual 40.4 per cent tax charge, earnings were 6.49p per share last year, or 5.49 on a notional 50 per cent charge. On that basis, the historic multiples are 14.64 and 17.3 respectively.

The manufacture of chilled foods accounted for 62 per cent of turnover last year, and canned foods the remainder.

Samuel Montagu is the issuing house and brokers to the issue are Scrimgeour, Kemp-Gee. Subscription lists open next Thursday and dealings are expected to begin on Friday May 11.

● **comment**

A long established family company with proven products in a stable industry makes unusual fare for the USM. In fact Sutherland could easily have gone to the upper house. As it is, the group is coming to the USM on a slight premium to the rest of the food manufacturing sector. Nothing to do with the USM's heady atmosphere, but more a reflection of the major slice of turnover which is devoted to chilled meats, one of the fastest growing areas in the industry. There seems plenty of scope for Sutherland to extend its kingdom to the freer spending south so long as it can maintain the quality of its unusual network of van drivers-cum-salesmen; an important key to its ability to hold its own against larger competitors. Offsetting the chilled meat side's obvious hot-weather bias is the canned food division, which is currently riding high on grocery chains' growing demand for own-label canning. Despite Sutherland's stolid image, it looks on track for a warm reception.

COMPANY NEWS IN BRIEF

Increased pre-tax profits of £605,000 compared with £351,000 have been produced by Norman Hay, electro-plater and anodiser, for 1983. Turnover expanded from £4.74m to £5.63m.

The net final dividend has been raised from 1.85p to 2.315p which lifts the total from 3.1p to 3.565p. Earnings per 10p share of this close company came to 8.3p (7.6p), after tax of £372,000 (£47,000).

* * *

Pre-tax profits of British Vending Industries rose from £341,000 to £409,000 in 1983 and a final dividend of 0.42p raises the net total from 0.7p to 0.77p per 10p share.

Turnover reached £20.12m (£18.99m). With signs of economic recovery in the areas in which the group trades, substantial sales growth has been recorded in the first four months of 1984. Earnings per share for 1983 rose to 3.25p (2.75p).

* * *

Virtually unchanged taxable profits of £2.13m, against £2.12m, were achieved by Office and Electronic Machines in 1983.

The group is the sole agency in the UK for the distribution of Adler, Imperial and Triumph ranges of electronic typewriters, word processors and related equipment.

Turnover for the year was up at £24.37m (£23.76m) but operating profits were lower at £1.84m (£2.07m). Associate profits rose sharply from £6,657 to £172,452 and interest receivable was higher at £109,988 (£39,401).

An unchanged final dividend of 5p holds the total payout at 7.5p net per 25p ordinary. Earnings are shown as 23.06p (20.85p).

Tax takes £713,710 (£841,445) leaving attributable profits ahead at £1.41m (£1.28m), from which dividends will take £459,366 (same).

* * *

A fall in interim taxable profits from £375,000 to £236,000 was suffered by Stewart Nairn Group, a property holding company.

Turnover for the six months to end-December 1983 totalled £256,000 (£473,000). Sale of investment properties came to £422,000 (nil) and other activities incurred a £186,000 loss (profit £375,000). There is no tax payable (£195,000).

The company is 56 per cent owned by Bukhatir Investments.

* * *

With all of the increase coming in the first half, taxable profits of chemicals, plastics and electronics concern Cole Group amounted to £427,000 for 1983, compared with £260,000.

Turnover, which rose from £18.47m to £22.18m for the 12 months, is ahead in the first quarter of the current year and indications are that this trend should be maintained, the directors state.

After tax of £33,000 (£9,000 credit) earnings per 25p share were 13.1p, against 9p, and the dividend is stepped up from 3p to 4p with a final of 2.5p.

* * *

An increase of £173,000 to £853,000 in the second half was not enough to offset the interim shortfall at Biddle Holdings, and full year taxable profits emerged lower at £1.25m against £1.71m.

Turnover of this manufacturer and installer of heating, air-conditioning and lifts fell from £19.29m to £18.97m. The taxable result was struck after interest receivable of £302,000 (£320,000).

The total dividend is held at 10p net with an unchanged final payment of 7.6p. Earnings were 18.9p (23.3p). Tax took £489,000 (£778,000) and there was an extraordinary credit this time of £66,000.

* * *

London & Scottish Marine Oil was increasingly looking to overseas for future growth—and not for entirely geological reasons, Mr Geoffrey Searle, the chairman, told the AGM.

The company, he said, was attracted to countries where the tax system was more favourable than in the UK, and had a greater degree of fiscal certainty for high risk industries like oil exploration and production.

The chairman said LASMO planned to drill a near-record level of wells this year, which would sustain the rate of growth of recent years. It intended to participate in drilling over 200 wells, of which over 80 per cent would be outside the UK. Some 125 wells were planned for North America.

* * *

Pre-tax profits of United Wire Group expanded from £171,000 to £342,000 for the half-year ended March 31 1984, but the interim dividend is maintained at 2.2p per share.

Turnover rose from £9.03m to £10.54m and although profits were after lower interest of £226,000 (£282,000) they were subject to tax, up from £77,000 to £320,000. Earnings per share were 6.41p (1.14p).

Agreement in principle has been reached for Scapa Group to acquire the company's South African subsidiary, Star Screens Pty, for £1.55m cash with effect from April 1.

* * *

Net asset value per share prior to charges at par at Lake View Investment Trust came to 321.3p against 244p for the year to the end of March 1984. At market value the figure came to 323.2p compared with 246.5p.

Earnings per 25p share came to 4.56p (4.54p) and a final net dividend of 2.65p (2.7p) raises the total from 4.25p to 4.4p. Income after tax came to £2.07m (£2.06m).

MINING NEWS

RTZ hits at U.S. lobby for copper import curbs

BY KENNETH MARSTON, MINING EDITOR

"EXPERIENCE shows that temporary protectionist measures seldom, if ever, achieve their desired effects, whatever their sponsors originally claim, and as often as not turn out to be permanent."

With these words Sir Anthony Tuke, chairman of **Rio Tinto-Zinc** hits out in the annual report of the UK-based mining and industrial group at moves afoot in the U.S. to protect the copper mines there from imported copper.

What concerns the U.S., and other, copper producers is that while the copper market is depressed by heavy stocks and surplus mine capacity, third world countries such as Chile and Zambia exacerbate the situation by continuing to operate their Government-controlled mines at full capacity.

They do so in order to earn much needed foreign exchange even though some of them operate at a loss. Bitterly, America's **Phelps Dodge** has said that such countries "can disregard their losses in large measure because the International Monetary Fund provides them credit to keep them, and their mines, in business."

Phelps, the major U.S. copper producer, had a hard time in 1982 when because of uneconomic copper prices the company shut down all its mines for much of the year and suffered a loss of $74.3m (£52.6m). The entire U.S. copper industry cut back production by 25 per cent, but the Chilean state company, Codelco, raised output by 15 per cent to an all-time high.

So 11 U.S. copper producers, including Phelps, and accounting for nearly 87 per cent of the domestic industry have petitioned the U.S. International Trade Commission for the imposition of temporary import quotas for blister and refined copper.

Hearings on the petition are expected next month. Many observers think that it is unlikely to succeed. If it did, however, this would be a severe blow to non-U.S. companies such as RTZ and the Australian copper miners which would find themselves facing the brunt of Chilean and Zambian competition in a smaller market for copper.

Sir Anthony Tuke condemns such protectionist attitudes which have "contributed materially to the shrinking of world markets in the past decade. Not least among offenders is the United States which, while paying lip service to the virtues of free trade, has by its protectionism adversely affected world steel markets."

Regarding the outlook for RTZ this year, he repeats his earlier comment that it should be "satisfactory" providing that the economies of the Common Market countries continue on their present course and there is no adverse movements in exchange rates—notably a further weakening in the U.S. dollar—which would affect the revenue of this international group.

Huge ore reserves of 545m tonnes grading a good average 2.16 per cent copper have been estimated at a redesigned open-pit area in the south-eastern part of the La Escondida copper deposit in Chile, not far from the Chuquicamata mine. Announcing this upgraded ore estimate the joint partners, Broken Hill Proprietary and Getty Mining say that a feasibility study should be completed at mid-year. Production from the pit in the early years is expected to be of ore with above average grades.

Phelps Dodge still shows loss

AN EXTRAORDINARY CREDIT of U.S.$25m (£17.6m) was not enough to return **Phelps Dodge**, the leading U.S. copper producer, to profits in the first quarter of this year.

The net loss for the latest period was $5m, compared with a deficit of $31.5m in the closing three months of 1983 and a loss of $3.9m in the first quarter of that year.

The extraordinary credit arose out of the settlement of litigation between Phelps Dodge's Western Nuclear subsidiary and Washington Public Power Supply System, more generally known as "Whoops" because of its sorry record of failure last year. The utility's financial problems forced it to cancel a uranium supply contract it had taken out with Western Nuclear.

Phelps Dodge said that the first quarter results reflect substantially lower copper prices than in the opening three months of last year, with the New York spot price for cathodes averaging 64.8 cents per pound, compared with 73.9 cents. However, the latest price represents a slight improvement over the price of 63.8 cents in the fourth quarter of last year.

The latest results were also hit by higher unit costs. As in the first quarter of last year the company's higher cost mines were closed for the bulk of the period, and production was chiefly from higher-grade ores at the mine in Morenci, Arizona.

Mine production in the three months was 76,900 tons, up from 59,600 tons in the first quarter of last year. The mines at Ajo, Arizona, and Tyrone, New Mexico, which were closed in April 1982, were reopened in February and May 1983 respectively.

MINING NEWS IN BRIEF

Canada's **Westfield Minerals**, part of the **Northgate Exploration** group, plans to transfer its worldwide oil and gas interests to a new European company, which will also acquire ownership of **Mogul of Ireland**. Mogul holds mining leases over a former zinc, lead and silver mine in Tipperary, Ireland, and adjacent exploration leases.

A public financing for the new company is planned for midyear.

In addition, Westfield plans to start a diamond drilling programme on its Mishibishu Lake gold property, 15 miles south of Hemlo, within a few days.

Initial tests of the zone to be drilled showed a wide spread of assay values, ranging between 0.02 ounces (0.6 grammes) of gold per ton and 0.25 oz (7.8 grammes).

* * *

The restructuring of the U.S. silver mining industry which began three years ago with the purchase of **Day Mines** by **Hecla Mining** continues with the news that Hecla is to transfer some of its interests in the silver-rich Coeur d'Alene district of Idaho to Sunshine Mining.

These interests include Hecla's 54 per cent stake in **Chester Mining**.

Sunshine plans to withdraw its offer for all the shares of **Ranchers Exploration and Development**, which produces uranium, copper and gold as well as silver. Sunshine will, however, exercise its option to acquire 7.7 per cent of Ranchers, and will then vote these shares in favour of the merger agreed between Ranchers and Hecla.

In addition, Hecla will cede its interest in part of the Sunshire silver mine in return for 2.25m Sunshine shares.

Mr Alfred Powis, chairman of Canada's **Noranda Mines**, said he expects the company to make profits of at least C$100m (£55.6m) in 1984, compared with an operating loss of C$5.6m in 1983.

Shareholders will be asked to approve a change of the company's name to Noranda Incorporated at the annual meeting on May 4.

COMPANY NEWS

Tricentrol profits slump to £8.6m

MAINLY reflecting a reduction in exchange gains of £2.9m, a worldwide increase in depletion and falling production from the Thistle Field, pre-tax profits of Tricentrol, oil, gas and mineral exploration concern, dropped from £14.3m to £8.6m for the first three months of 1984.

Turnover for the period amounted to £29.7m, against £29.5m, and excluded sales from trade in third party crude oil of £112m (£143.7m).

Production costs took £8.4m (£7.5m), depletion was higher at £10.5m compared with £8.1m leaving gross profits of £10.8m (£13.9m).

Operating profits of £10.4m (£13.2m) were split between oil and gas—UK £7.4m (£10.5m); U.S. £0.3m (£0.3m); Canada £2m (£1.8m); and oil trading £0.7m (£0.6m).

Petroleum revenue tax amounted to £0.6m (£6m) for the first quarter while corporate tax took £0.6m (nil). Retained profit was £7.4m, compared with £8.3m while earnings per 25p share were 8p against 9.6p.

Cash flow generated from operations, of £19.2m, was utilised mainly to increase fixed assets (£13.8m) and reduce debt (£7.1m).

Oil production from the Thistle Field totalled 8.68m barrels in the first three months, of which the group's share was 889,000 barrels. Over the same period in 1983 Thistle production totalled 10.38m barrels (Tricentrol 1.02m barrels).

Last month the group acquired an 8.33 per cent working interest in an additional 12 Gulf of Mexico tracts for $4.6m; the group now has a significant interest in 42 Federal leases in the Offshore Gulf of Mexico.

● comment

Tricentrol is evidently due for a lower profit figure at the pre-tax level this year, if only because of the slow-down in Thistle production and disruptions in Buchan in the first quarter. A lower tax charge should lead to higher net earnings, though, of perhaps £27m. This puts the shares — down 2p at 206p — on a prospective p/e of about 7, well below the likes of LASMO and Charterhouse. But then, Tricentrol is not the most popular oil company on the market. The extent to which this will change rests partly on how much will be realised by the sale of the U.S. interests, and on whether the Wytch Farm deal ever reaches completion. One might further argue that the company's greater concentration on North Sea exploration should improve the longer-term production prospects. But the shares still have a poor market image, and such things can be slow to change.

1983-84 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	132	—	6.4	4.8	7.7	10.0
158	117	Ass. Brit. Ind. CULS	144	—	10.0	6.9	—	—
78	62	Airsprung Group	63	—	6.1	9.7	18.0	18.0
38	21	Armitage & Rhodes	33	—	4.3	13.0	3.5	[illegible]
328	141½	Bardon Hill	328	+1	7.2	2.2	13.4	27.2
58	63	Bray Technologies	64xd	—	3.5	5.5	9.3	9.0
200	197	CCL Ordinary	200	—	5.9	2.5	4.5	6.3
152	121	CCL 11pc Conv Pref	152	—	15.7	10.3	—	—
505	100	Carborundum Abrasives	505	—	5.7	1.1	—	—
249	100	Cindico Group	103	—	17.6	17.0	—	—
68	46	Deborah Services	68	—	6.0	8.8	36.4	59.1
217	75	Frank Horsell	217	+1	—	—	8.1	15.0
199	75½	Frank Horsell Pr Ord 87	199	—	8.7	4.4	8.4	13.7
69	28	Frederick Parker	31	+¼	4.3	13.9	—	—
39	32	George Blair	38	—	—	—	—	—
80	48	Ind Precision Castings	60	—	7.3	14.6	13.8	17.2
2185	2100	Isis New Fully Pd Ord	2185	—	160.0	6.9	—	—
365	134	Isis Conv Pref	365	—	17.1	4.7	—	—
121	61	Jackson Group	120	+1	4.5	3.8	6.3	12.3
248	169	James Burrough	248	—	11.4	4.6	13.7	14.0
395	275	Minihouse Holdings NV	395	—	4.0	1.0	28.7	38.2
108	92	Robert Jenkins	102	—	20.0	19.6	11.8	6.9
74	57	Scruttons "A"	67	—	5.7	10.0	8.5	8.9
120	61	Torday & Carlisle	120	—	2.9	2.4	—	—
444	385	Travian Holdings	438	—	—	—	8.9	8.2
26	17	Unilock Holdings	18	—	1.0	5.6	11.8	17.1
92	56	Walter Alexander	85	—	6.8	8.0	7.5	9.9
270	238	W. S. Yeates	248	+1	17.1	7.0	5.9	12.0

FINANCIAL TIMES
Friday April 27 1984

New Brunswick gives FRNs further novelty, Page 44

WALL STREET

Brave face put on firm funds

A BRAVE FACE was adopted by many Wall Street investors yesterday despite continued firmness in the federal funds rate and diverging views on the outlook for interest rates, *writes Terry Byland in New York*

The bond market struggled to hold a scattering of early gains while the underlying tone on the stock market, which opened sharply higher, remained optimistic. One major analyst described events as "a continuation of the beginning of the next leg of the bull market."

By 3.30 pm, the Dow Jones industrial average was 10.67 up at 1,174.20.

The stock market has been encouraged by the flow of excellent corporate trading results, and by dividend increases from several major names. But Wall Street also hopes that the pace of economic growth has slackened enough to take the upward pressures off interest rates. The test may come on Monday when the Commerce Department publishes its latest set of leading economic indicators.

The session opened with a rush of buying that put seven points on the Dow, with nearly 20m shares traded in the first half-hour. Both industrial and consumer issues were sought and spice was added by a handful of takeover prospects.

IBM added $½ to $112⅝, General Motors $¼ to $66¼, General Electric $½ to $55¾ and Sears, the general merchandiser, $⅜ to $33⅝. There was a brisk trade in Ford Motor $⅝ higher at $35⅛ ex-dividend.

Exxon added $⅜ to $42⅝ in response to the increased dividend while Occidental Petroleum, $¾ up at $31¼, had another active session. Standard Oil of Ohio, controlled by British Petroleum, added $⅝ to $48⅞ after results.

The closing report on Wall Street and updated U.S. market monitors were not available because of continuing industrial action at the Financial Times' printers in Frankfurt.

Cummins Engine attracted buyers, rising $1⅜ to $78⅝. Digital Equipment at $90¾ recouped $⅝ of is recent losses and Texas Instruments sought again, with a rise of $⅜ to $140¾.

Among consumer stocks, Dart & Kraft, the Tupperware to processed cheese group, put on $1⅞ to $76¼ in response to its results. Trading in Colgate-Palmolive calmed down, but a rise of $¼ to $25¾ was a response to suggest that the group could be a bid target.

The Limited, the unwanted suitor for Carter Hawley Hale, added $¾ to $19¾ and Schlumberger, the star of the oil exploration industry, gained $¾ to $54⅞.

Mr Saul Steinberg's SEC filing of plans to increase his stake in Walt Disney, another favourite market takeover hope, sent Disney shares ahead $1¼ to $63¾.

But in the financial stock sector, General Re, the reinsurance group, fell $1⅛ to $58¼ after results.

Other active issues included American Express, although it was unchanged at $28⅝ and K-mart, the discount store chain, $¼ higher at $30. Campbell Soup weakened $¼ to $60¾.

In the troubled electric utilities sector, there was a sharp fall in Texas Utilities, $⅞ off at $22⅛, on sudden nervousness over the regulatory prospects for the Comanche Peak plant which is still under construction.

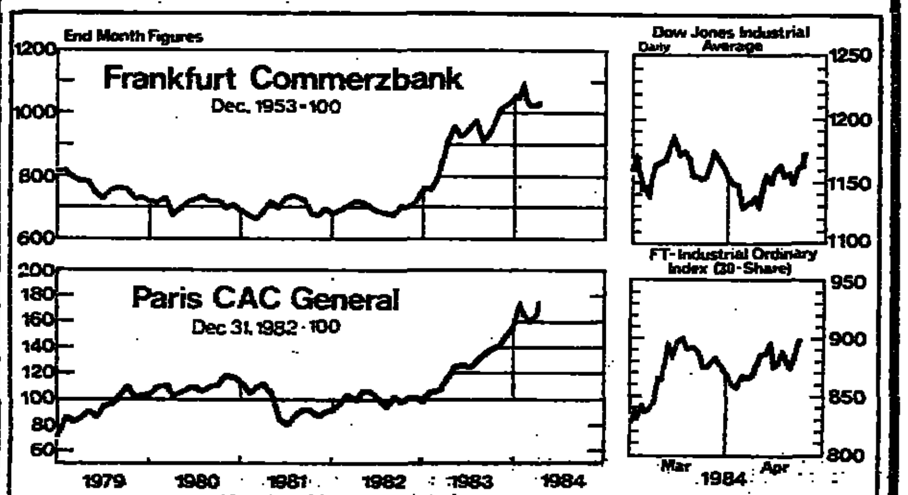
On the American Stock Exchange, Gulf Canada gained $⅛ to $14⅜ with investors hoping that the corporate reporting season will bring some news on the expected disposal of the Canadian unit on completion of the takeover of Gulf U.S.

In the credit markets, the federal funds rate continued to move higher despite the round of system repurchases announced by the Fed on Wednesday. By midsession the funds rate was 10⅝ per cent, a firmness that reflects technical pressures associated with the end of the tax year. The Fed has shown its willingness to supply reserves, and the pressures are expected to slacken within a short time.

Money market rates were mixed in quiet trading, and three-month Treasury bill discounts dipped by five basis points to 9.53 per cent, with the six-month down three basis points to 9.71 per cent.

The bond market looked patchy, with most prices a shade better despite continued lack of retail demand. The key 2013 long bond at 94 29/32 was 1/32 up on the day.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	April 26	Previous	Year ago
DJ Industrials	1174.20*	1163.53	1209.46
DJ Transport	497.55*	494.55	523.98
DJ Utilities	125.24*	125.24	126.43
S&P Composite	159.78*	158.65	161.81
LONDON			
FT Ind Ord	899.1	887.6	696.8
FT-SE 100	1130.9	1119.8	949.4
FT-A All-share	532.18	527.79	441.08
FT-A 500	579.05	573.96	479.84
FT Gold mines	693.9	688.0	696.8
FT-A Long gilt	10.25	10.27	10.47
TOKYO			
Nikkei-Dow	10,901.52	10,866.34	8807.47
Tokyo SE	854.49	850.20	624.42
AUSTRALIA			
All Ord	752.9	759.1	603.0
Metals & Mins.	533.8	542.0	545.8
AUSTRIA			
Credit Aktien	54.95	54.97	56.01
BELGIUM			
Belgian SE	155.06	154.69	122.15
CANADA			
Toronto Composite	2326.4*	2319.7	2321.3
Montreal Industrials	420.92*	419.7	397.04
Combined	397.07*	395.96	388.87
DENMARK			
Copenhagen SE	194.84	196.16	137.46
FRANCE			
CAC Gen	175.1	174.4	117.8
Ind. Tendance	111.4	110.9	72.8
WEST GERMANY			
FAZ-Aktien	352.03	351.18	318.09
Commerzbank	1028.5	1026.4	952.1
HONG KONG			
Hang Seng	1070.7	1082.72	1028.29
ITALY			
Banca Comm.	216.99	216.78	190.98
NETHERLANDS			
ANP-CBS Gen	160.4	158.8	125.5
ANP-CBS Ind	127.9	126.7	104.7
NORWAY			
Oslo SE	283.0	281.05	182.52
SINGAPORE			
Straits Times	1003.37	1004.38	932.75
SOUTH AFRICA			
Golds	n/a	1042.8	918.9
Industrials	n/a	1070.5	927.3
SPAIN			
Madrid SE	115.37	114.47	109.38
SWEDEN			
J & P	1535.26	1510.33	1390.27
SWITZERLAND			
Swiss Bank Ind	376.2	372.4	322.0
WORLD	Apr 25	Prev	Year ago
Capital Int'l	187.4	186.6	174.1

GOLD (per ounce)

	April 26	Prev
London	$376.75	$382.75
Frankfurt	$377.75	$383.25
Zurich	$377.25	$382.50
Paris (fixing)	$381.25	$381.62
Luxembourg (fixing)	$382.40	$382.75
New York (May)	$380.00*	$382.50

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR April 26	U.S. DOLLAR Previous	STERLING April 26	STERLING Previous
$	–	–	1.403	1.4115
DM	2.6965	2.6795	3.785	3.785
Yen	226	225.65	317.25	318.75
FFr	8.2725	8.2275	11.605	11.61
SwFr	2.227	2.217	3.1275	3.1325
Guilder	3.038	3.0225	4.265	4.2675
Lira	1667	1654.0	2338	2334.0
BFr	54.92	54.5	77.05	77.05
C$	1.27915	1.27965	1.7935	1.8055

INTEREST RATES

Euro-currencies (3-month offered rate)	April 26	Prev
£	8¾	8⅞
SwFr	3 9/16	3⅞
DM	5 7/16	5⅝
FFr	12⅝	13⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	11 5/16	11
6-month U.S.$	11 9/16	11¼
U.S. Fed Funds	10⅝*	11¼
U.S. 3-month CDs	10.60*	10.55
U.S. 3-month T-bills	9.53*	9.59

U.S. BONDS

Treasury	April 26* Price	Yield	Prev Price	Yield
11½ 1986	99 25/32	11.65	99 25/32	11.69
12⅝ 1991	99 29/32	12.57	99	12.59
11.75 1993	95⅞	12.65	95	12.66
12 2013	94 29/32	12.70	94 19/32	12.70
Corporate	April 25* Price	Yield	Prev Price	Yield
AT&T				
10⅜ June 1990	90⅞	12.75	90⅞	12.70
3⅞ July 1990	70⅝	10.40	70⅝	10.40
8⅝ May 2000	70⅜	13.25	70⅜	13.30
Xerox				
10⅞ March 1993	86⅞	13.15	87⅞	13.10
Diamond Shamrock				
10⅞ May 1993	86½	13.25	86⅝	13.20
Federated Dept Stores				
10½ May 2013	80	13.35	79⅝	13.40
Abbot Lab				
11.80 Feb 2013	88⅞	13.30	88⅞	13.35
Alcoa				
12½ Dec 2012	89⅝	13.70	89⅞	13.75

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	65-16	65-22	65-13	65-12
U.S. Treasury Bills (IMM) $1m points of 100%				
June	90.13	90.16	90.10	90.11
Certificates of Deposit (IMM) $1m points of 100%				
June	89.11	89.14	89.05	89.07
LONDON				
Three-month Eurodollar $1m points of 100%				
June	88.98	88.98	88.92	88.89
20-year Notional Gilt £50,000 32nds of 100%				
June	107-10	107-20	107-08	107-09

COMMODITIES

(London)	April 26	Prev
Silver (spot fixing)	652.95p	655.20p
Copper (cash)	£1045.00	£1050.00
Coffee (May)	£2066.00	£2054.50
Oil (spot Arabian light)	$28.40	$28.32

LONDON

Clearance for assault on peaks

GREEN LIGHTS were flashing yesterday for an assault on the highest levels ever reached by London equities. At one point it appeared that the FT Industrial Ordinary index would surpass last month's record 901.4, but it closed short of this at 899.1, a rise of 11.5 that extended the advance of the last two sessions to nearly 24 points. The FT-Actuaries All-Share index hit a new high of 532.18, a rise of 0.8 per cent while the FT-SE 100 gained 11.1 to 1,130.9.

Encouraging trading announcements from several major groups gave the market its impetus. ICI rose 14p to 620p on higher than expected first-quarter profits.

Gilts were unaffected by Wednesday's sharp rise in U.S. federal funds

Chief price changes, Page 36; Details, Page 37; Share information service, Pages 38-39

HONG KONG

CAUTION returned to Hong Kong yesterday with the Hang Seng index surrendering almost all the gains of the previous session to finish 12.02 down at 1,070.70.

China Light was one of the few to rise, with a 10 cent increase to HK$12.70 while Bank of East Asia and Hongkong Telephone held steady at HK$25 and HK$45. Elsewhere, Jardine Matheson slipped 30 cents to HK$11.20, Hutchison Whampoa lost 10 cents to HK$17.50, and Cheung Kong retreated 20 cents to HK$9.50.

SINGAPORE

SMALL-LOT buying and some short-covering edged many Singapore stocks slightly higher although the Straits Times index shed 1.01 to 1,003.37.

Faber Merlin, actively traded with 433,000 shares changing hands, finished steady at S$1.84 while Cerebos rose 6 cents to S$2.61.

Hotels and properties were marginally higher with Sealion up 4 cents to S$4.71 and City Development also 4 cents ahead at S$1.74.

AUSTRALIA

THE RESUMPTION of trading in Sydney after Wednesday's market holiday saw oil and gas shares lead a broad decline with the All Ordinaries index 6.2 down at 752.9.

Timor Sea exploration-related issues were again weak with BHP 25 cents off at A$11.10 while Weeks Petroleum dropped 40 cents to A$5.30.

Depressed world copper prices hit base metal miners with MIM Holdings and CRA both 12 cents lower at A$3.50 and A$6.02 respectively.

SOUTH AFRICA

THE UNCERTAINTY of bullion price movements was reflected in Johannesburg trading as shares turned mixed.

Driefontein held steady at R48.75 while Vaal Reefs rose R1 to R166. Among speculative gold shares, Consolidated Modderfontein maintained its recent advance and closed 30 cents up at R8.40.

CANADA

PROPERTY and gold related issues led initial losses in a mixed Toronto which saw oils and metals display same resistance to the downward trend.

Industrials and papers in Montreal edged ahead, although utilities and banks continued their recent weakness.

TOKYO

Matsushita provides the impetus

A FIRM tone remained among Tokyo stocks yesterday in a continuation of Wednesday's sharp rise, with Matsushita Electric Industrial group issues leading the way, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average topped 10,900 for the first time in seven days, closing at 10,901.52 up 35.18. Turnover stayed high at 446.52m shares, although down from Wednesday's 497.16m. Advances outnumbered losses 396 to 315, with 158 issues unchanged.

Matsushita group stocks soared after the announcement on Wednesday that consolidated recurring profit for the first quarter had surged 49 per cent. Kyushu Matsushita Electric advanced Y410 to Y3,600. Matsushita Communication Industrial Y130 to Y3,940 and Victor Y110 to Y7,860. Matsushita Electric Industrial posted a smaller rise of Y30 to Y1,920.

Matsushita's firmness spurred other leading blue chips, with Fanuc climbing Y260 to Y9,300 and Kyocera Y50 to Y5,880. But trading in blue chips remained slow.

Hitachi increased Y16 to Y955, while highly capitalised Nippon Steel gained Y4 to Y177 and Mitsubishi Heavy Industries Y14 to Y261 on buying by some investment trusts.

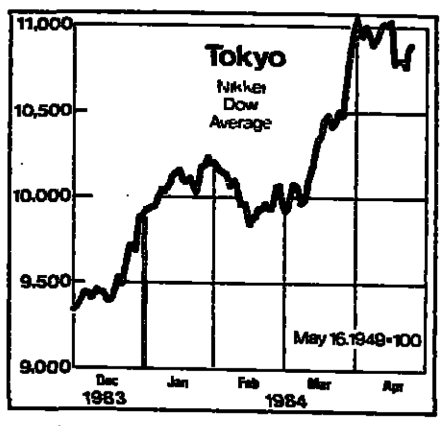
Large-asset issues were actively traded. Oji Paper firmed Y15 to Y541, Keihin Electric Express Railway Y3 to Y264 and Nippon Express Y13 to Y323. Tokuyama Soda jumped Y12 to Y577 on development of the world's first translucent aluminium nitride ceramic.

Topping the list of actives was Sumitomo Metal Mining with 16.22m shares and a Y20 rise at Y1,870. It was followed by Asahi Chemical with 15.63m, up Y7 at Y556; Nippon Express with 12.26m, Y13 ahead at Y323; and Mitsubishi Heavy Industries with 12.15m for a Y14 gain at Y261.

Despite the rally, investors seemed unlikely to return in force, as the market will be closed for three days next week for national holidays. Prices tended to weaken after securities company dealers stopped buying, said a major securities house official.

The bond market eased on heavy sales of government bond holdings worth some Y100bn by city banks, prompted by slack government bond turnover in April.

Reflecting the greater supply-demand imbalance, yields rose in the inter-broker market. The yield on the barometer 7.5 per cent 10-year government bonds maturing in January 1993 increased 2 basis points to 7.14 per cent.



EUROPE

Stability proves no problem

STABILITY was maintained almost without exception on the European bourses yesterday, taking heart from Wall Street's overnight ability to hold on to the advance chalked up the previous session. While trading levels generally gained pace somewhat, prevailing sentiment seemed to preclude too quick a run-up and price changes were for the most part muted.

Early **Frankfurt** gains were unable to be sustained, and the outcome was mixed. Heightened labour tensions over the national 35-hour week campaign were viewed as having little impact, though.

Deutsche Bank, moving ex its one-for-12 rights issue, drew a favourable response and finished at DM 379.50 against Wednesday's DM 386.50, an effective rise of DM 3.50. Most others in the sector were firm too.

Porsche, expected to be a target for union disruption, was quoted in interbank dealings at between DM 1,050 and DM 1,070, slightly off from the previous DM 1,100 range but still well above the DM 780 flotation level.

A steady bond market allowed the Bundesbank to sell DM 10.4m in paper.

The return of Dutch institutional buying allowed **Amsterdam** a range of decent gains – among them Fl 2.20 for Hoogovens which reached Fl 50 on the steelmaker's cheery 1984 outlook, and Fl 1.10 in Royal Dutch at Fl 158.10 as U.S. investors were reported as switching into the parent after tendering their Shell Oil holdings.

A first quarter at Philips described by the board as "favourable" brought a Fl 1.40 improvement to Fl 49.60, while a Fl 2.30 drop in KLM left it one of the few weak spots at Fl 170.50.

Domestic bonds edged forward.

Paris had the benefit of a forecast from the Insee statisticians holding out the prospect of slowing inflation, and this helped turn a mixed opening into a brighter finish.

One cloud was the retreat to the courts by the Creusot Loire engineering group. It slid FFr 5 to FFr 30 before being suspended due to an excess of selling orders. Schneider, the parent, opened FFr 4.50 down but losses were later curbed to FFr 1.50 at FFr 104.

Retailers were featured, with Au Printemps up FFr 7.70 at FFr 174.20.

Banks in **Zurich** managed modest but uniform gains, while results took Hoffman-La Roche in chemicals SwFr 4,000 higher at SwFr 104,250. A dull **Milan** was enlivened only by foreign orders for Olivetti, which rose L105 to L4,719. The Swiss and Italian bond markets were both steady.

Electrolux was among the few firm **Stockholm** areas, SKr 3 ahead at SKr 269 as foreign selling persisted elsewhere. A cautious **Copenhagen** decline came in the wake of a government austerity package, with Novo off DKr 15 to DKr 2,440.

A marginally higher **Brussels** result had Sofina standing out with a BFr 140 gain at BFr 6,240 for a two-day advance of BFr 230. Profit-taking in Cockerill Sambre took it BFr 12 lower at BFr 316.

Electrical utilities led a **Madrid** rally after the declines prompted by dividend curbs.

Prices at 3pm, April 26

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20¼	11½	AAR	.44	2.2	20	110	19¾	19½	19⅝	+ ⅛
52½	31½	ACF	1.40	2.7	656	160	52½	52½	52½	
22	15¼	AMCA	n 1	6.0		10	16¾	16¾	16¾	
18⅞	13⅛	AMF	.50	3.5		895	14⅜	14⅛	14⅜	+ ⅛
41¼	25	AMFCp			7	2967	33¼	33	33¼	+ ¼
20⅛	17½	AMR	pf2.18	11		42	19⅝	19⅝	19½	− ⅛
41½	22⅝	AMR	pf2.13	6.0		511	35½	35	35⅛	+ ⅛
23⅝	19½	ANR	pf2.12	9.9		1	21½	21½	21½	+ ⅛
16¼	6⅞	APL			5	102	10⅝	10⅛	10⅛	− ½
56¼	40¼	ARA	2.10	4.9	9	253	42¾	42⅛	42¾	+ ½
77¼	50¼	ASA	3a	4.7		393	64⅝	63⅝	64¼	− ⅞
33¼	17	AVX	s .32	1.5	16	158	22⅝	20⅞	22⅛	+ ⅛
53⅛	39¼	AbtLab	1.20	2.7	15	459	44¼	43⅝	44¼	+ 1
30¼	23¼	AccoWd	.50	2.3	16	57	26½	25⅞	26¼	+ ⅛
27½	19⅛	AcmeC	.40	1.9		121	22	21⅞	21⅞	− ⅛
13	8⅝	AcmeE	.32b	3.3	61	11	9⅞	9⅞	9⅞	
24⅞	12⅞	AdmDg	.04	.3	8	22	14½	14⅜	14⅜	− ⅛
18⅞	15⅝	AdaEx	2.11e	13		72	16⅛	15⅝	16⅛	+ ⅛
19⅞	11	AdmMl	.28	1.7	8	11	16⅜	15⅞	16⅜	
22	14⅞	AdvSys	.80	5.2	15	353	15⅞	15½	15½	− ½
18⅝	8⅞	Advest	.12	1.2	13	11	10	9⅞	10	
37½	17⅞	AMD	s		27	4416	32½	32⅝	33½	+ 1⅛
24⅝	11⅞	Aerflx	s		12	26	12½	12	12⅛	+ ⅛
43½	33½	AetnLf	2.64	7.3	11	810	36⅛	35⅞	36⅛	+ ⅛
59⅛	54⅝	AetL	pf5.25e	9.3		244	57	56¼	57	
40½	20	Ahmns	1.20	5.2	6	721	23	22	23	+ 1½
7⅛	3⅛	Aileen				17	3⅞	3⅞	3⅞	− ⅛
51	36½	AirPrd	1	2.2	11	238	46⅞	46½	46½	− ⅛
30⅞	16	AirbFrt	.60	3.3	10	185	18	17½	18	+ ⅞
3¼	1⅛	AlMoa	s			38	3¼	3⅛	3⅛	
33½	28¼	AlaP	pfA3.92	14		13	28⅝	28⅜	28⅜	− ¼
7⅞	6½	AlaP	dpf.87	13		6	6¾	6¾	6¾	− ⅛
74½	64¼	AlaP	pf 9	14		z50	65	65	65	

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Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 26

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Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 34

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X–Y–Z

12 Month High	Low	Stock	Div. Yld. P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
52⅛	38⅞	Xerox	3 7.4 9	2849	40½	39¾	40⅜	+1⅛
53⅝	47	Xerox pf	5.45 11	460	48¼	48	48¼	+¼
37	21⅛	XTRA	26 12	67	24¼	23⅞	24¼	+½
34	24	ZaleCp	1.26 5.0 10	1	25	25	25	
24	15⅛	Zapata	.84 3.5 12	863	u24⅛	23½	24	+½
52⅞	31⅞	Zayre	s .40b 1.1 10	84	36	35	36	+1⅛
38⅝	16⅞	ZenithE	12	518	29⅛	28¾	29¼	+⅜
27⅞	19¼	Zero	s .36 1.7 18	2	20⅞	20¾	20⅞	+½
37⅛	21⅛	Zurnin	1.32 5.4 11	45	24½	24¼	24½	+⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after spill-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

April. 26	Price Sch%	+ or —
Creditanstalt	213	..
Goesser	324	—1
Interunfall	407	—2
Laenderbank	205	....
Perlmooser	558	+2
Steyr-Dimler a.	149	.. ..
Veitscher Mag	217	....

BELGIUM/LUXEMBOURG

April 26	Price Frs.	+ or —
ARBED	1,820	+10
Banq Int A Lux	5,000	......
Bekaert B.	3,900	....
Ciment CBR	2,395	....
Cockerill	316	—12
Delhaize	4,800	.. ....
EBES	2,775	—5
Electrobel	6,690	—10
Fabrique Nat	3,295	—10
GB Inno BM	3,300	—5
GBL (Brux)	2,330	....
Gevaert	3,300	.. ...
Hoboken	5,460	+20
Intercom	2,085	—6
Kredietbank	7,130	.. ...
Pan Hldgs	9,740	+20
Petrofina	7,980	—20
Royale Belge	9,050	....
Soc. Gen. Banq	3,270	—10
Soc. Gen. Belge	1,905	+10
Sofina	6,240	+140
Solvay	4,200	+60
Traction el	3,745	+70
UCB	5,180	—150
Vieille Mont	4,180	—20

DENMARK

Apr. 26	Price Knr %	+ or —
Aarhus Olie	380	.....
Andelsbanken	269	.. ...
Baltic Skand	630	......
CopHandelsbank	259	—5
D. Sukkerfab	665	+5
Danske Bank	256	—3
East Asiatic	177	—2
Forenede Brygg.	965	—10
Forenede Damp.	170	+2
GNT Hldg	525	.....
I.S.S.B.	620	.....
Jyske Bank	550	.....
Novo Ind	2,440	—15
Privatbanken	295	.....
Provinsbanken	245	—10
Smidth (F)	227	—3
Sophus Berend	1,160	.....
Superfos	495	—5

FRANCE

April 26	Price Frs.	+ or —
Emprunt 4½% 1973	1,812	—13
Emprunt 7% 1973	3,602	+13
CNE 3%	3,484	+24
Air Liquide	562	+1
BIC	437	+2
Bouygues	750	+2
BSN Gervais	2,694	+29
CIT-Alcatel	1,320	+5
Carrefour	1,849	—19
Club Mediter'n	909	—1
CFAO	671	—13
Cie Bancaire	506	+33.5
Cofimeg	222	—3.5
Creusot Loire	50	—5
Darty	970	+19
Dumez S.A.	765	+16
Eaux (Cie Gen)	571	—1
Elf-Aquitaine	257.5	+2.6
Gen. Occidentale	507	+12
Imetal	87.2	+0.2
Lafarge Coppee	386	+4.5
L'Oreal	2,445	+30
Legrand	1,908	—1
Maisons Phenix	251	—1
Matra S.A.	1,519	+8
Michelin B	829	+20
Midi (Cie)	1,482	—7
Moet-Hennessy	1,533	—3
Moulinex	105	—1.5
Nord Est	50.6	—0.1
Pernod Ricard	780	+5
Perrier	567	—1
Petroles Fra	252	+0.9
Peugeot S.A.	235	+1
Poclain	45	—0.1
Printemps Au	174.2	+7.7
Radiotech	310	—0.2
Redoute	1,264	+13
Roussel-Uclaf	1,144	+15
Schneider S.A.	104	—1.5
Sefimeg	261	+1
Skis Rossignol	1,405	—15
Telemech Elect	1,660	.....
Thomson (CSF)	324.9	+5.9
Valeo	288	—2

GERMANY

Apr. 26	Price Dm.	+ or —
AEG-Telef	94.6	+0.1
Allianz Vers	769	+10
BASF	166.1	+2.1
Bayer	171.5	+1.5
Bayer-Hypo	295.5	+1.5
Bayer-Verein	349.5	+3
BHF-Bank	284.5	+2.5
BMW	388	—4
Brown Boveri	221	+0.5
Commerzbank	179.2	+1.7
Cont'l. Gummi	134.6	+2.1
Daimler-Benz	564	+1
Degussa	400.5xd	—1.5
Demag	146	......
D'sche Babcock	160	+0.7
Deutsche Bank	378xr	......
Dresdner Bank	176	—0.5
GHH	148.5	—0.1
Hochtief	517	+2
Hoechst	180.2	+0.9
Hoesch Werke	114	....
Holzmann (P)	425	+2
Horten	195.5	+0.5
Kali und Salz	195.7	—0.3
Karstadt	267	+1
Kaufhof	248	—2
KHD	248.5	+2.5
Kloeckner	63.3	+0.3
Krupp	79	......
Linde	384	—1
Lufthansa	158.2	+0.2
MAN	148	—2
Mannesmann	145.8	+1
Mercedes Hld	487	—1
Metallgesell	247.5	+0.5
Muench Rueck	1,140	+50
Preussag	275.3	+0.7
Rhein West Elect	164	+0.3
Rosenthal	230	......
Schering	347.5	—2.5
Siemens	399	—1.8
Thyssen	84.6	+0.1
Varta	169	+0.5
Veba	169.1	—1.2
V.E.W	121	+0.3
Verein-West	300	......
Volkswagen	199.5	—1.7

ITALY

Apr. 26	Price Lire	+ or —
Banca Com'le	34,950	+450
Bastogi-IRBS	151	+0.4
Centrale	1,816	—29
Credito Varesino	5,330	—65
Fiat	4,231	—10
Finsider	57	......
Generali Assicur	37,210	—50
Invest	2,572	—26
Italcementi	48,800	......
Montedison	217	—0.4
Olivetti	4,719	+105
Pirelli Co	3,001	+6
Pirelli Spa	1,548	—3
Snia BPD	1,643	—2
Toro Assic	12,070	—125
do. Pref	8,480	+60

NETHERLANDS

April 26	Price Fls	+ or —
ACF Holding	182.5	—1.0
AEGON	147.5	—1.9
Ahold	193.8	+1.3
AKZO	95.6	—0.1
ABN	384	+4
AMEV	155	+1.5
AMRO	69.3	+1.3
Bredero Cert	203	+1.5
Bos Kalis Westm	21.8	+0.6
Buehrmann-Tet	65.5	+1.2
Calland Hldgs	27.5	+0.5
Credit Lyon'is Bk	67.7	+0.2
Elsevier-NDU	69.8	+2.6
Gist. Brocades	133.2	+1.8
Heineken	151.8	+1.8
Hoogovens	50.1	+1.4
Hunter Douglas	26.8	—0.2
Int Mueller	21.5	......
KLM	170.5	—2.3
Naarden	39.2	—0.6
Nat Ned Cert	218	+1
Ned Cred Bank	40	......
Ned Mid Bank	147	......
Nedlloyd	115	+1
Oce Grinten	238	+1
Ommeren (Van)	29.6	+0.4
Pakhoed	62.2	—0.3
Philips	45.5	+0.1
Rijn-Schelde	4.4	......
Robeco	324.5	+0.5
Rodamco	135	+0.1
Rolinco	317	+1.4
Rorento	203.4	+0.2
Royal Dutch	137.8	+0.7
Unilever	256.5	+2.6
VMF Stork	107	......
VNU	151.2	—1.6
West Utr Bank	93.3	......

NORWAY

April 26	Price Kroner	+ or —
Bergen Bank	161	+1
Borregaard	330	......
Christiania Bk	169	+3
Den Norsk Credit	170	+2
Elkem	179.0	+4.5
Norsk Data	205	+7
Norsk Hydro	687	+11
Storebrand	222.5	—5.5

SPAIN

April 26	Price Pts%	+ or —
Bco Bilbao	304	+6
Bco Central	314	—2
Bco Exterior	204	+3
Bco Hispano	226	+2
Bco Santander	298	....
Bco Vizcaya	368	+2
Dragados	144	......
Hidrola	47.5	+0.8
Iberduero	52.5	+0.8
Petroleos	112	......
Telefonica	81.7	+0.2

SWEDEN

April 26	Price Kronor	+ or —
AGA	370	......
Alfa-Laval	381	+3
ASEA (Free)	355	+5
Astra (Free)	386	—10
Atlas Copco	150	+1
Boliden	443	—9
Cardo (Free)	411	—9
Cellulosa	184	—3
Electrolux B	266	+3
Ericsson	326	—3
Esselte	340	......
Mo Och Domsjo	620	—5
Pharmacia	271	—7
Saab-Scania	404	+2
Sandvik	401	......
Skandia	400	+15
Skan Enskilda	346	—2
SKF	215	—1
St. Kopparbergs	755	......
Sven Handelsbn	198	—5
Swedish Match	256	—6
Volvo B (Free)	466	—4

SWITZERLAND

April 26	Price Frs.	+ or —
Alusuisse	818	—6
Bank Leu	3,860	—10
Brown Boveri	1,460	—10
Ciba Geigy	2,245	—5
do. (Part Certs)	1,785	+5
Credit Suisse	2,270	+30
Elektrowatt	2,695	+0
Fischer (Geo.)	677	—2
Genevoise	3,850	+150
Hoff-Roche PtCts	104,250	+4000
Hoff-Roche 1/10	10,425	+400
Jacobs Suchard	6,800	+100
Jelmoli	1,900	+40
Landis & Gyr	1,445	+5
Nestle	5,270	+35
Oer-Buehrle	1,260	+15
Pirelli	250	+1
Sandoz (Br)	6,800	......
Sandoz (Pt Cts)	1,050	......
Schindler (PtCts)	580	+5
Swissair	1,032	+2
Swiss Bank	339	+75
Swiss Reinsce	8,075	+15
Swiss Volksbk	1,450	+20
Union Bank	3,600	—10
Winterthur	3,000	......
Zurich Ins	17,900	+125

AUSTRALIA

April 26	Price Aust. $	+ or —
ANZ Group	5.68	+0.02
Acrow Aust	1.6	......
Alliance Oil D	0.72	—0.03
Ampol Pet	1.75	......
Aust Cons Ind	1.88	—0.01
Aust Guarant	3.78	+0.05
Aust Nat Inds	2.52	—0.03
Aust Paper	2.02	—0.03
Bell Group	5.68	—0.08
Bond Corp Hldgs	1.34	+0.03
Boral	3.68	......
Bougainville	2.76	—0.1
Brambles Inds	2.90	+0.05
Bridge Oil	2.75	—0.05
BHP	11.1xa	—0.26
CRA	4.06	—0.12
CSR	2.83	—0.04
Carlton Utd	2.76	......
Castlemaine Tys	4.68	—0.02
Coles (G.J.)	3.71	—0.05
Comalco "A"	2.12	......
Consolidated Pet	0.73	—0.05
Costain Aust	1.3	......
Dunlop Aust	1.55	—0.01
E.Z. Inds	3.26	—0.04
Elders IXL	4.03	—0.02
Energy Res	1.45	—0.03

AUSTRALIA (continued)

Apr. 26	Price Aust. $	+ or —
Gen Prop Trust	2.1	....
Hardie (J.)	3.4	....
Hartogen Energy	3	—0.01
HeraldW'y Times	3.25	—0.05
ICI Aust	2.2	+0.05
Jimb'lana(50cFP	0.3	....
Kia Ora Gold	0.16	—0.01
Land Lease	4.9	....
MIM	3.5	—0.12
Mayne Nickless	2.5	—0.05
Meekatharra	0.75	....
Myer Emp	1.98	+0.02
Nat. Com. Bk	3.55	....
News	10.25	—0.15
Nicholas Kiwi	2.75	—0.05
North Bkn Hill	2.75	....
Oakbridge	1.02	+0.02
Otter Expl	0.6	....
Pancont'l	1.35	—0.02
Pioneer Conc	1.6	....
Rockitt & Coin	2.65	....
Repco	1.17	....
Santos	6.76	—0.14
Smith (H.)	3.9	....
Southland Min'g.	0.41	—0.01
Spargos Expl	0.4	....
Thos. Natwide	1.92	....
Tooth	5.2	....
Vamgas	3.5	—0.05
Western Mining	4.2	—0.08
Westpac	3.88	....
Woodside Petrol.	1.23	+0.01
Woolworths	2.38	....
Wormald Intl	3.28	—0.03

HONG KONG

Apr. 26	Price H.K.$	+ or —
Bank East Asia	25	......
Cheung Kong	9.5	—0.2
China Light	12.7	+0.1
Hang Lung Devel	2.2	—0.07
Hang Seng Bank	39.5	—0.25
HK Electric	6.1	—0.1
HK Kowloon Wh	4.1	—0.1
HK Land	3.5	—0.07
HK Shanghai Bk	7.2xa	—0.05
HK Telephone	45	....
Hutchison Wpa	17.6	—0.1
Jardine Math	11.2	—0.3
New World Dev	3.55	—0.07
Orient O'seas	2.67	....
O'seas Trust Bk	3.45	+0.05
SHK Props	7.5	—0.05
Swire Pac A	18.8	—0.1
Wheel'k Mard A	3.6	—0.06
Wheel'k M'time	2.05	....
World Int. Hldgs	2.27	—0.05

JAPAN

April. 26	Price Yen	+ or —
Ajinomoto	1,110	—40
Alps Electric	2,500	+40
Amada	1,330	....
Asahi Chem	656	+7
Asahi Glass	765	+2
Bridgestone	600	—10
Canon	1,320	....
Casio Comp	1,250	—10
Chugai Pharm	1,070	+30
Citizen	575	—5
Daiei	710	....
Dai Nippon Ptg	1,090	—20
Daiwa House	469	+1
Ebara	330	+1
Eisai	1,150	+50
Fanuc	9,300	+260
Fuji Bank	1,060	—20
Fuji Film	1,700	+10
Fujisawa	800	—1
Fujitsu	1,310	+30
Green Cross	1,840	—10
Hasegawa	379	+4
Heiwa Real Est.	626	+1
Hitachi	956	+16
Hitachi Credit	1,570	+10
Honda	1,100	—10
House Food	770	....
Hoya	2,130	+80
Itoh (C)	310	—1
Ito.Yokado	2,100	—30
Iwatsu	1,850	+40
JACCS	389	+16
JAL	2,720	+20
Jusco	840	—5
Kajima	298	....
Kao Soap	805	....
Kashiyama	625	+6
Kirin	620	+5
Kokuyo	1,100	....
Komatsu	485	+1
Konishiroku	623	—15
Kubota	310	....
Kumagai	462	—6
Kyoto Ceramic	5,880	+50
Maeda Const.	495	+5
Makino Milling	1,420	+10
Makita	1,020	—10
Marubeni	349	—16
Marudai	631	+6
Marui	1,260	....
MEI	1,920	+30
M'ta Elec Works.	770	—1
M'bishi Bank	1,040	+10
M'bishi Corp	550	—5
M'bishi Elec	430	+2
M'bishi Estate	549	+11

JAPAN (continued)

April. 26	Price Yen	+ or —
MHI	261	+14
Mitsui Co	570	+15
Mitsui Estate	749	+11
Mitsukoshi	350	+3
NGK Insulators	788	+16
Nihon Cement	218	+6
Nippon Denso	1,520	—10
Nippon Elect	1,370	+10
Nippon Express	323	+13
Nippon Gakki	625	....
Nippon Kokan	151	+2
Nippon Oil	1,160	....
Nippon Seiko	610	....
Nippon Shimpan	637	—6
Nippon Steel	177	+4
Nippon Suisan	341	—4
NTV	14,600	+1,800
Nippon Yusen	242	+1
Nissan Motor	666	....
Nisshin Flour	420	....
Nisshin Steel	206	+1
Nomura	858	+8
Olympus	890	—20
Omron Tateisi	2,180	+60
Orient Leasing	3,810	—30
Pioneer	2,450	+30
Renown	681	+1
Ricoh	1,060	—20
Sankyo	705	—9
Sanyo Elect	530	+11
Sapporo	455	+7
Sekisui Prefab	571	+1
Seven-Eleven	8,600	+50
Sharp	1,200	+30
Shimadzu	590	+12
Shionogi	615	—10
Shiseido	1,140	....
Sony	3,670	+20
Stanley	820	—5
S'tmo Bank	1,190	+60
S'tomo Elect	920	+10
S'tomo Marine	522	+10
S'tomo Metal	177	+3
Taihei Dengyo	491	....
Taisei Corp	214	+1
Taisho Pharm	977	....
Takeda	710	—15
TDK	5,760	+10
Teijin	439	+4
Teikoku Oil	698	—7
Tokyo Marine	640	—4
TBS	877	+12
Tokyo Elect Pwr.	1,240	—10
Tokyo Gas	172	+1
Tokyo Sanyo	816	+1
Tokyo Style	780	—15
Tokyu Corp	323	—2
Toppan Print	808	+8
Toray	480	+6
Toshiba Elect	428	+7
TOTO	640	+7
Toyo Seikan	795	+4
Toyota Motor	1,330	....
Victor	2,860	+110
Wacoal	796	—2
Yamaha	819	+4
Yamanouchi	1,380	—20
Yamazaki	725	—10
Yasuda Fire	330	—9
Yokogawa Bdge.	415	—1

SINGAPORE

Apr. 26	Price $	+ or —
Boustead Hldgs.	2.89	+0.02
Gold Storage	4.1	—0.06
DBS	10.0	....
Fraser & Neave	6.2	—0.05
Genting	6.5	+0.1
Haw Par. Bros	2.6	+0.01
Inchcape Bhd	2.98	+0.05
Keppel Shipyard	3.1	+0.02
Malay Banking	10.1	....
Malay Brew	6.9	+0.1
Multi Purpose	1.96	+0.02
OCBC	10.6	....
OUB	4.34	—0.04
Sime Darby	2.46	....
Straits St'mship.	1.6	+0.02
Straits Trdg.	5.85	....
UOB	6.35	....

SOUTH AFRICA

Apr. 26	Price Rand	+ or —
Abercom	2.4	+0.05
AE & CI	6.9	+0.4
Anglo Am Coal	30	....
Anglo Am Corp	24.75	—0.15
Anglo Am Gold	153	....
Barclays Bank	21.0	....
Barlow Rand	14.8	....
Buffels	62.25	+0.25
CNA Gallo	3.3	+0.5
Currie Finance	5.25	....
De Beers	9.6	+0.05
Driefontein	48.75	....
FS Geduld	53.75	+0.25
Gold Fields S.A.	29.75	....
Highveld Steel	6	—0.1
Nedbank	17.25	....
OK Bazaars	18.5	....
Protea Hldgs	3.1	+0.05
Rembrandt	26	—1
Rennies	15	....
Rust. Plat	15.25	....
Sage Hldgs	8.2	....
SA Brews	7.75	+0.1
Smith (C.G)	26.25	....
Tongaat Huletts.	11.8	....
Unisec	5.9	+0.2

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Prices at 2.30 pm April 26

INTERNATIONAL GUIDE TO THE ARTS

every Friday in the Financial Times

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 35

OVER-THE-COUNTER

Nasdaq national market, 3pm prices

Continued on Page 44

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Barclays Bank	505	+ 22
Bass	378	+ 18
Biddle	153	+ 14
Blue Circle	430	+ 5
Brit. Aerosp.	282	+ 14
Foseco Minsep	188	+ 9
Grand Met	346	+ 10
ICI	620	+ 14
Ingram (H.)	290	+ 30
Laporte Inds.	468	+ 12
P & O Defd.	312	+ 11
Pilkington	332	+ 14
SGB	158	+ 6
Smith Bros.	120	+ 8
TI	258	+ 6
Telephone Rtls	188	+ 10
Tern-Consulate	51	+ 5
Trafalgar House	268	+ 14
United Wire	101	+ 4
Wearwell	138	+ 8
Bryson Oil, Gas	415	+ 45
Eglinton	145	+ 12
Cons. Modderf.	472	+ 26
Leslie Gold	270	+ 15

FALLS

Barratt Dev.	126	— 6
Commercial U.	220	— 6
Costain	306	— 8
Midland Inds.	7	— 9
Minet Hldgs	171	— 9
Wimpey (Geo.)	137	— 13

Indices

NEW YORK-DOW JONES

	Apr 26	Apr 25	Apr 24	Apr 23	Apr 19	Apr 18	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1174.31	1163.53	1162.9	1148.5	1158.08	1090.8	1286.64 (9/1)	1088.8 (18/4)	1287.2 (28/11/83)	41.22 (2/7/32)
Transport	499.07	494.66	487.22	498.85	500.82	-	612.63 (5/1)	484.16 (6/4)	612.63 (5/1/84)	12.23 (8/7/32)
Utilities	125.53	126.24	126.92	125.87	128.09	-	134.83 (6/1)	123.7 (27/2)	163.32 (20/4/69)	10.95 (28/4/42)
Trading vol (000's)†	9827	8352	8722	-	-	-	-	-	-	-

	Apr 19	Apr 13	Apr 6	(Year Ago Approx)
Ind div yield %	4.77	4.89	4.98	4.58

STANDARD AND POORS

	Apr 26	Apr 25	Apr 24	Apr 23	Apr 19	Apr 18	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	181.88	180.81	179.18	177.81	179.86	178.88	190.84 (9/1)	174.1 (22/2)	193.22 (22/8/83)	3.52 (30/6/32)
Composite	160.2	158.85	158.07	156.8	158.02	157.8	169.28 (6/1)	154.29 (21/3)	178.98 (22/8/83)	4.4 (1/6/32)

	Apr 11	Apr 4	Mar 28	Year Ago (Approx)
Ind div yield %	4.98	4.93	3.97	4.14
Ind. P/E Ratio	11.48	11.20	12.25	13.40
Long Gov. Bond Yield	12.47	12.57	12.37	10.41

N.Y.S.E ALL COMMON

Apr 26	Apr 25	Apr 24	Apr 23	1984 High	1984 Low
—	—	—	—	442.62 (8/5)	79.78 (24/1)

RISES AND FALLS

	Apr 26	Apr 25	Apr 24
Issues traded	867	1978	1980
Rises	23	848	818
Falls	520	872	718
Unchanged	414	457	452

MARKET REPORT

Encouraging trading statements accelerate advance and equity index nears 900

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr 9	Apr 26	Apr 27	May 8
Apr 30	May 10	May 11	May 21
May 14	May 31	June 1	June 11

* "New-time" dealings may take place from 9.30 am two business days earlier.

The green lights were flashing brightly yesterday for an assault on the highest levels ever reached by London equities. At one point during the session there was a good chance that the FT Industrial Ordinary share index would surpass last month's all-time peak of 901.4, but it closed short of the record at 899.1. The rise of 11.5 extended the advance over the past two sessions to nearly 24 points. The broader-based FT-Actuaries All-share index achieved its best since compilation of 532.18, up 0.8 per cent.

Encouraging trading announcements from several major groups gave the market its impetus. Numerous features emerged in most industrial areas with ICI highlighting on first-quarter profits well in excess of analysts' projections. Other factors aiding sentiment included reports that GEC was near to signing contracts with the Chinese authorities regarding a large power station complex.

Some traders were wary about the current strength of industrials which, they point out, has occurred on a falling business volume. Technical influences connected with the completion of financial year ends have caused many jobbers to maintain even book positions. Consequently a relatively light demand has found stock in short supply and values very responsive. This was again the case yesterday, but some "new-time" demand was also reported.

Gilt-edged securities were unaffected by Wednesday's sharp rise in the Fed funds rate. Sentiment firmed for the third consecutive day and the Government broker was able to sell his remaining supplies of the £200m tranche of Exchequer 10½ per cent 1995 stock at 98. A minute part of the £100m tranche of Treasury 3 per cent 1986 was also sold by the authorities. Disappointing U.S. bond advices brought all Gilts away from the best levels later in the afternoon yesterday and the longs finally managed gains of only ¼. The shorts similarly came off the highest to close around 1/16 harder.

Barclays feature

Receding rights issue fears following Barclays' and Midland's annual meetings on Wednesday triggered renewed investment in the major clearing banks. Barclays led the rise with a fresh gain of 22 to 505p, while NatWest added 16 more at 668p and Lloyds 15 at 640p. Midland closed 10 to the good at 400p. Among Discount Houses, Clive hardened a penny to 64p following the results, but Jessel Toynbee fell 4 to 100p on sporadic offerings ahead of next Wednesday's preliminary statement.

Minet provided a dull feature among Lloyds Brokers, dropping to 165p before closing a net 9 down at 171p on annual results which failed to match expectations due to substantial underwriting deficiencies. The withdrawal of speculative support and light profit-taking clipped 6 from Commercial Union, at 220p. Legal and General, following the annual report, advanced 18 to 480p among Life issues.

Recently-issued oil and gas exploration group Petranol continued to attract attention and rose 8 more to 248p.

First-time dealings in the new shares of Birmingham Pallet — now a furniture concern following the acquisition of Delaney — were subdued. The shares, placed at 42p, opened at 48p but slipped to 44p before closing at 45p.

Interest in front of the dividend season and the likely benefits of the curent heat-wave prompted renewed demand for leading Breweries. Bass were again to the fore and advanced 18 for a two-day gain of 28 to 378p, while Grand Metropolitan advanced 10 more at 346p. Whitbread, 171p, and Allied-Lyons, 168p, firmed 4 apiece and among regionals, Greenall Whitley closed 9 up at 153p. Elsewhere, Press comment on the GEC stake left Distillers 3 cheaper at 285p.

Company trading statements were responsible for the main movements in the Building sector. Blue Circle's preliminary profits — in line with market estimates — were well received and the price rose to 437p before profit-taking brought a close of 5 dearer on balance at 430p. In sharp contrast, George Wimpey fell 13 to 137p following annual profits well below expectations due to substantial overseas losses. Other leading Contracting and Construction issues lost ground in sympathy, with Costain 8 lower at 306p and already depressed Barratt Developments down 6 at 126p. Elsewhere, Tarmac continued to attract support in front of next Tuesday's annual results and rose 10 to 514p. UBM's results were considered satisfactory — profits exceeded those forecast at the time of the abortive Norcros bid for the company — but the existence of a bull position in the shares left the price a couple of pence off at 149p. SGB firmed 6 to 158p in response to a newsletter recommendation.

ICI moved up smartly to 624p on first-quarter profits well above estimates before settling at 620p, up 14 on balance. Laporte rose 9 to 468p, after 472p, following impressive annual profits and one-for-two scrip issue proposal. Among other Chemicals, W. Canning put on 5 to 111p on speculative interest.

Newsagents below best

Persistent small demand left leading Stores at the day's highest levels. Marks and Spencer firmed 3 for a two-day gain of 12 to 256p ahead of next Tuesday's preliminary results. House of Fraser closed a couple of pence cheaper at 252p following slightly disappointing full-year profits, but buyers returned for Burton, which advanced 7 to 296p.

Investment enthusiasm among secondary counters again centred on Newsagents. Martin, subject of much interest recently, advanced to 210p before the board's statement attempting to diffuse takeover speculation left the shares a net 2 cheaper at 193p. John Menzies, due to reveal annual results next Monday, touched 351p, only to close 2 off on balance at 343p, while NSS shed a couple of pence to 84p. Currys encountered late selling in the absence of bid developments and fell 12 to 333p, but Selincourt returned to favour and firmed a couple of pence to 17½p. Tern-Consulate, 51p, and J. Hepworth, 296p, rose 5 and 10 respectively in front of next week's full-year results.

News that GEC is to be awarded a £1,000m Chinese Government power station contract and that the UK Defence Ministry has placed a £100m order with its Marconi subsidiary for the development and production of Zeus, made scant impression on the share price which hardened a couple of pence to 182p, after 184p. Racal added 6 at 218p and Plessey firmed 3 to 237p, but Thorn EMI, still restrained by reports of a broker's downgraded profits forecast, closed a further 5 lower at 637p. Elsewhere, Telephone Rentals reflected better-than-expected annual profits with a rise of 10 to 188p, Farnell also drew encouragement from higher preliminary profits and proposed 100 per cent scrip-issue but closed only 3 better at 433p, after 440p. Recently-depressed Arlen dropped to 55p before rebounding smartly to finish 5 up on balance at 70p. BSR succumbed to late selling and ended 22 down at 283p.

Engineering leaders were again in the vanguard of the markets advance. Hawker, which reported excellent results last week, closed 14 higher at 474p. TI put on 6 to 258p and GKN gained 5 to 199p as did Babcock, to 171p. Reflecting the confident tenor of the chairman's agm address, Vickers moved up 4 to 167p. Elsewhere, United Wire rose 4 to 101p in response to the interim profits upsurge, while improvements of 3 and 8 respectively were seen in B. Elliott, 60p, and Spirax Sarco, 196p. By way of contrast, Midland Industries plunged 9 to 7p on persistent nervous selling; the market is worried by the delay in announcing the annual results—announced on April 15 last year—and sentiment has been further affected by suggestions that the company's financial support has been withdrawn.

Interest in Foods broadened and virtually all the leaders made progress. Tesco became prominent among Retailers and closed 5 higher at 182p, while steady support left J. Sainsbury the same amount dearer at 538p. Unigate found favour and improved 3 to 127p and United Biscuits gained a similar amount to 170p. Rowntree Mackintosh, the subject of considerable speculative activity recently on takeover hopes, opened higher at 292p, but gradually slipped back to close 2 cheaper on balance at 286p.

Trafalgar House up

Trafalgar House advanced 14 to 268p following news that the Holiday Inn chain has bought the leasehold interest in the Cunard Hotel Bristol for £5m. European rationalisation hopes helped Pilkington rise the same amount to 332p, while Metal Box reflected the current strength of Engineering leaders with a rise of 8 to 366p. Elsewhere in Miscellaneous Industrials, trading statements provided numerous features. Biddle mirrored the record profits recovery at 153p, up 14, while Whatman Reeve Angel rose 25 to 715p following good results. Cole improved 6 to 176p and Norman Hay gained 3 to 72p after their satisfactory annual profit performances, while demand ahead of next Monday's preliminary figures left Foseco Minsep 9 better at 188p. Buying on talk of an impending broker's circular helped British Aerospace rise 14 to 262p. Renewed speculative buying took BET Deferred up 10 more to 278p. Continuing hopes that Mr Asil Nadir will shortly announce the long-awaited merger terms, lifted Cornell 5 to 273p and Wearwell 8 to 138p; Polly Peck, however, softened a few pence to 310p. Scott and Robertson, annual results scheduled for next Thursday, added 5 at 82p.

The apparent success of the Montego launch stimulated increased support of BL which firmed 2 to record a three-day gain of 5 to 70p. Major component suppliers trended firmer in sympathy, with AE closing 4½ dearer at 84½p. Lucas rose 3 to 227p, while carburettor manufacturers Solex hardened a couple of pence to 96p. Automotive Products closed 2 up at 73p following "call" option activity, while Kwik-Fit, due to announce preliminary figures next Monday, rose a penny to 43p, after 44p. Elsewhere, Dowty attracted fresh support and rose 5 to 132p, while Flight Refuelling firmed a similar amount at 270p; the latter's annual results are expected today. Distributors were irregular. Harold Perry eased a few pence to 76p as the cautious tenor of the accompanying statement outweighed news of the increased annual profits and dividend. C. D. Bramall shed 4 to 161p following the annual report.

Advertising issues featured Saatchi and Saatchi which advanced 25 to 725p following publicity given to a bullish circular from brokers Jacobson, Townsley; the interim figures are expected next Tuesday.

P & O Deferred, a relatively lifeless market since Trafalgar House elected not to renew its bid, attracted fresh institutional demand and closed 11 dearer at 312p. Elsewhere in Shippings, a recommendation from brokers Phillips and Drew lifted Ocean Transport 5 to 133p.

Bryson Oil advance

Irish-domiciled oils provided a firm feature in Bryson Oil and Gas which raced ahead to close 45 firmer at 415p reflecting Columbian exploration hopes. Egliston Oil, also drilling in Columbia, moved up 12 to 145p, while Aran Energy, which recently commenced an onshore drilling programme in Ireland, hardened a couple of pence to 62p.

Leading domestic oils were content to consolidate recent gains. Shell were a fraction firmer at 657p following the 33 per cent jump in profits announced by Shell Oil America. BP held at around 512p, but LASMO were finally 3 cheaper at 335p following the annual meeting. Tricentrol rose up 2 to 205p in the wake of the first-quarter results. Among second-liners, Saxon continued to attract persistent interest and moved up 5 to a 1984 high of 408p.

Onshore exploration stocks showed Goal Petroleum 6 higher at 108p and Marinex 2 harder at a year's best of 117p.

The chairman's encouraging remarks at the annual meeting prompted support of Bristol Oil and Minerals, which gained 3 to 57p.

Among overseas issues Weeks Petroleum (Bermuda) dropped 10 to 350p reflecting disappointment with the Eclipse well, drilled in the Timor Sea, which failed to encounter hydrocarbons. Weeks Australia gave up 3 at 103p.

Golds firmer

South African Golds were underpinned by the latest decline in the bullion—its third successive fall. A number of issues attracted modest selling pressure, usually well absorbed, but the majority retained early gains which continued to reflect widespread stock shortages. The Gold Mines index posted a further 5.9 rise to 693.9—its fifth consecutive gain and its highest level for over a month. Bullion gave up $6 to $376.75 an ounce.

Cheaper-priced issues and marginal stocks continued to attract persistent support and were featured by Consolidated Modderfontein which jumped 26 more to a 1984 high of 472p—a two-day gain of 45—while Leslie rose 15 to 270p and Marievale 8 to 302p. East Rand Proprietary put on ¼ to a year's high of £11¾.

Heavyweights were by no means overlooked. Southvaal were an outstanding performer and closed £1½ to the good at £47¼. Winkelhaak added almost a point at £38¾ and President Steyn ⅝ to a 1984 high of £41½.

Financials were mixed. De Beers managed a 2 gain to 542p following the annual report and chairman's statement, and "Amcoal" continued their recent revival to close ¼ firmer at £17. Johnnies, however, retreated £1¼ to £95 and Anglovaal fell a point to £38½.

Among London Financials, RTZ made good progress and advanced 9 to 667p, after 670p, ahead of the annual report.

Trading in Australians remained at a low level despite the re-opening of overnight domestic market following the extended holiday period. Minor losses were common throughout the list of leading issues.

FINANCIAL TIMES STOCK INDICES

	April 26	April 25	April 24	April 19	April 18	April 17	year ago
Government Secs	82.07	82.02	81.86	81.58	81.94	82.03	81.60
Fixed Interest	86.30	86.27	86.36	86.31	86.31	86.30	83.71
Industrial Ord.	899.1	887.6	876.2	880.0	888.6	879.8	696.8
Gold Mines	693.9	688.0	686.1	683.2	679.4	673.3	510.5
Ord. Div. Yield	4.29	4.33	4.38	4.36	4.32	4.35	4.49
Earnings, Yld.% (full)	9.87	9.98	10.09	9.97	9.89	9.91	9.15
P/E Ratio (net) (*)	12.23	12.09	11.96	12.11	12.21	12.21	13.25
Total bargains (Est.)	20,046	20,074	20,090	22,277	22,026	22,534	25,765
Equity turnover £m.	—	218.80	183.49	253.36	320.12	292.25	280.46
Equity bargains	—	16,119	14,549	16,627	17,555	21,175	22,747
Shares traded (ml)	—	124.5	105.2	136.1	140.2	159.6	173.7

10 am 892.3. 11 am 894.8. Noon 894.8. 1 pm 897.6. 2 pm 898.2. 3 pm 898.6.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 11.65.

HIGHS AND LOWS

—	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1)	81.58 (19/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3)	86.27 (25/4)	155.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	901.4 (21/3)	770.3 (4/1)	901.4 (21/3/84)	49.4 (26/6/40)
Gold Mines	711.7 (8/3)	520.2 (17/1)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	April 25	April 24
Daily		
Gilt Edged Bargains	122.6	128.0
Equities Bargains	104.4	94.3
Value	442.2	370.9
5-day Average		
Gilt Edged Bargains	135.2	147.4
Equities Bargains	111.5	120.4
Value	512.6	558.5

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr 16	Apr 27	July 26	Aug 23
May 8	May 18	Aug 9	Aug 20
May 21	June 8	Aug 30	Sept 10

For rate indications see end of Share Information Service

Call options were arranged in Cosalt, Waterford Glass, Marks and Spencer, Raybeck, Grovebell, Attwood, Automotive Products, "Shell" Transport, Eagle Corp., S. & W. Berisford, Bristol Oil and Minerals, Bryson, Berkeley and Hay Hill, Brengreen, Humphries Holdings and John Brown. A put was taken out in Gestetner A, but no doubles were reported.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (114)

BRITISH FUNDS (2)
CORPORATION LOANS (1)
FOREIGN BONDS (1)
AMERICANS (4)
CANADIANS (1)
BANKS (5)
BREWERS (4)
BUILDINGS (7)
CHEMICALS (1)
STORES (7)
ELECTRICALS (4)
ENGINEERING (8)
FOODS (4)
HOTELS (4)
INDUSTRIALS (19)
INSURANCE (1)
MOTORS (4)
NEWSPAPERS (1)
PAPER (4)
PROPERTY (3)
SOUTH AFRICANS (2)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (7)
OILS (7)
MINES (8)

NEW LOWS (33)

AMERICANS (2)
Alcoa — First Cont. America
CANADIANS (2)
Can. Pacific Ents. — Trans. Can. Pipe
Akzo NV
BANKS (1)
Southern Bus Leasing
BREWERS (1)
Forshaws Bartonwood
BUILDINGS (3)
Barratt Devs — Miller (Stanley)
McLaughlin & Harvey
CHEMICALS (1)
Akzo NV
ELECTRICALS (3)
Arlen Electrical — Newmark (Louis)
Feedback
ENGINEERING (2)
Midland Inds — Tex Abrasives
FOODS (1)
Hinton (A.)
INDUSTRIALS (6)
A.G.I. — Sommer (W.)
Glaxo Telecom — Stocklake
Fogarty — Utd Parcels
MOTORS (1)
Bramall (C. D.) — Harrison (T. C.)
TEXTILES (1)
Beales (J.)
TRUSTS (3)
Atlantic Inv. — Mercantile House
Mills & Allen
OILS (3)
Bridge Oil — Weeks Pet (Bermuda)
Weeks Pet (Australia)
MINES (2)
Ivanhoe Gold — Peko-Wallsend

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or−	Net dividend	Times covered	Gross yield	P/E ratio
270	[illegible]	[illegible]	[illegible]	[illegible]	Assoc Brit Ports	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
915	[illegible]	[illegible]	[illegible]	[illegible]	Biotechnology Invs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§42	[illegible]	[illegible]	[illegible]	[illegible]	Birmingh'm Pallet 10p	45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§95	[illegible]	[illegible]	[illegible]	[illegible]	Body Shop 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§155	[illegible]	[illegible]	[illegible]	[illegible]	Burmatex 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§67	[illegible]	[illegible]	[illegible]	[illegible]	CPR Computer 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	[illegible]	[illegible]	[illegible]	[illegible]	C. J. R. Pacific Inv. Tst.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	Cambrium Venture 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Warrants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
120	[illegible]	[illegible]	[illegible]	[illegible]	Commerc'l Bk Wales	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§162	[illegible]	[illegible]	[illegible]	[illegible]	Connells Estate Agts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
180	[illegible]	[illegible]	[illegible]	[illegible]	Denmans Electrical	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§114	[illegible]	[illegible]	[illegible]	[illegible]	First Leisure Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
†US$5	[illegible]	[illegible]	[illegible]	[illegible]	Fledgling Japan 1c.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§75	[illegible]	[illegible]	[illegible]	[illegible]	Havelock Europa 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
*156	[illegible]	[illegible]	[illegible]	[illegible]	Horne (Robert) 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§130	[illegible]	[illegible]	[illegible]	[illegible]	Meadowf'm Prod 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
125	[illegible]	[illegible]	[illegible]	[illegible]	Nth Sea & Gen. Oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§52	[illegible]	[illegible]	[illegible]	[illegible]	Osprey Communic'tns	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
215	[illegible]	[illegible]	[illegible]	[illegible]	Our Price 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§80	[illegible]	[illegible]	[illegible]	[illegible]	Pantherella	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
¶125	[illegible]	[illegible]	[illegible]	[illegible]	Petranol 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§120	[illegible]	[illegible]	[illegible]	[illegible]	Platon Int.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	[illegible]	[illegible]	[illegible]	[illegible]	Powerline Int'l 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§70	[illegible]	[illegible]	[illegible]	[illegible]	Ramco Oil Ser's 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	[illegible]	[illegible]	[illegible]	[illegible]	Robertson Res'rch 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§78	[illegible]	[illegible]	[illegible]	[illegible]	Scantronic 2½p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
270	[illegible]	[illegible]	[illegible]	[illegible]	Systems Reliability 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§143	[illegible]	[illegible]	[illegible]	[illegible]	Tod (W. & J.) 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	[illegible]	[illegible]	[illegible]	[illegible]	Utd. Biscuits Warr'nts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+or−
98.19	[illegible]	[illegible]	[illegible]	[illegible]	Border & S'thern 11¼% Deb. Stk. 2014	[illegible]	[illegible]
97.072	[illegible]	[illegible]	[illegible]	[illegible]	Brixton Est. 11⅛% 1st Mort. Deb. 2023	[illegible]	[illegible]
§100	[illegible]	[illegible]	[illegible]	[illegible]	Eng. & Intl. Tst. 10⅞% Deb. 2014	[illegible]	[illegible]
98.043	[illegible]	[illegible]	[illegible]	[illegible]	Finland 11⅞% Ln. 2009	[illegible]	[illegible]
‖	[illegible]	[illegible]	[illegible]	[illegible]	Home Charm 7¾% Cnv. Uns. Ln. 1997/2004	[illegible]	[illegible]
99.714	[illegible]	[illegible]	[illegible]	[illegible]	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	[illegible]	[illegible]
§95.711	[illegible]	[illegible]	[illegible]	[illegible]	MEPC 10⅞% 1st Mort. Deb. 2024	[illegible]	[illegible]
—	[illegible]	[illegible]	[illegible]	[illegible]	Nation Ide 9¾% 25/3/85	[illegible]	[illegible]
—	[illegible]	[illegible]	[illegible]	[illegible]	Do. 9¾% 15/4/85	[illegible]	[illegible]
§97.80	[illegible]	[illegible]	[illegible]	[illegible]	Province de Quebec 12½% Ln. 2020	[illegible]	[illegible]
98.50	[illegible]	[illegible]	[illegible]	[illegible]	TR City of London 11½pc Deb. 2014	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or−
400	F.P.	[illegible]	[illegible]	[illegible]	A. B. Electronic	[illegible]	[illegible]
75	Nil	[illegible]	[illegible]	[illegible]	Aldcom Intnl. 10p	[illegible]	[illegible]
215	F.P.	[illegible]	[illegible]	[illegible]	Bowater £1	[illegible]	[illegible]
98	Nil	[illegible]	[illegible]	[illegible]	Brit. Car Auction 10p	[illegible]	[illegible]
A87.5	Nil	[illegible]	[illegible]	[illegible]	Broken Hill Prop. A$2	[illegible]	[illegible]
70	Nil	[illegible]	[illegible]	[illegible]	Brown Boveri Kent	[illegible]	[illegible]
DM250	Nil	[illegible]	[illegible]	[illegible]	Deutsche Bk. Dm50	[illegible]	[illegible]
95	F.P.	[illegible]	[illegible]	[illegible]	Evered	[illegible]	[illegible]
450	F.P.	[illegible]	[illegible]	[illegible]	Exco Intl	[illegible]	[illegible]
205	Nil	[illegible]	[illegible]	[illegible]	Garnunkel Rest 10p	[illegible]	[illegible]
25	Nil	[illegible]	[illegible]	[illegible]	Glanfield Lawrence	[illegible]	[illegible]
52	Nil	[illegible]	[illegible]	[illegible]	Holt Lloyd Intl. 10p	[illegible]	[illegible]
40	F.P.	[illegible]	[illegible]	[illegible]	Immed. Bus. Systems 10p	[illegible]	[illegible]
25	Nil	[illegible]	[illegible]	[illegible]	Interdivision Video 10p	[illegible]	[illegible]
5	Nil	[illegible]	[illegible]	[illegible]	Norfolk Cap. 5p	[illegible]	[illegible]
25	F.P.	[illegible]	[illegible]	[illegible]	Sutcliffe Speakman	[illegible]	[illegible]
60	F.P.	[illegible]	[illegible]	[illegible]	TSL Thermal Syndicate	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. † Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶ Issued in connection with reorganisation merger or take-over. ‖‖ Allotment letters (or fully-paid). ‖ Introduction. ⁂ Unlisted Securities Market. § Placing price. † Official London Listing. * Offered as units comprising one ord and one N/V A ord. ‡Each unit comprises 5 shares and 1 warrant.

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of price changes	Wed. close	Day's change
Comm. Union	16	226	+17
De Vere Hotels	14	312	−10
Polly Peck	14	313	+18
Body Shop New	13	180	+10
Ellis & Gold'n	13	59	+ 8
Marks & Spncr	13	253	+ 9
Shell Trans.	13	655	+15
BP	12	512	+ 7
Midland Bank	12	390	+10
Rowntree Mack	12	288	+ 2
Bass	11	360	+10
Legal & General	11	462	+10
Martin News	11	195	+17
Ultramar	11	580	+ 3

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	2	72	30
Corpns. Dom. and Foreign Bonds	13	1	66
Industrials	333	214	844
Financial and Props.	118	69	336
Oils	34	26	60
Plantations	4	6	12
Mines	52	38	84
Others	83	48	83
Totals	660	471	1,514

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change
AE	84	+4
Blue Circle	430	+ 5
Bryson Oil & Gas	415	+45
Grand Met.	346	+10
ICI	620	+14
Laporte Inds.	468	+12
Minet Holdings	171	− 9
P & O Defd.	312	+11
RTZ	667	+ 9
Rowntree Mackintosh	286	− 2
Trafalgar House	268	+14
Wimpey (Geo.)	137	−13

FT - SE 100 INDEX

Close	1130.8 (+11.1)
Day's high	1131.5 (3.00pm)
Day's low	1124.7 (9.36am)
Base value=1000	December 30 1983

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	EQUITY GROUPS & SUB-SECTIONS	Thurs April 26 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed April 25 Index No.	Tues April 24 Index No.	Thurs April 19 Index No.	Wed April 18 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (202)	525.81	+0.9	8.80	3.53	14.52	521.11	518.10	518.57	522.36	479.58
2	Building Materials (24)	531.21	+1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (32)	763.44	−1.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (14)	1722.42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Electronics (37)	1295.71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (62)	253.38	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (9)	196.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Motors (17)	161.07	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Other Industrial Materials (17)	688.87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (195)	537.48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (23)	548.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (22)	406.16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (12)	1201.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household Products (9)	292.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Leisure (22)	690.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (14)	1363.99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	269.74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (47)	453.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (20)	309.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	643.33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Other Consumer (9)	490.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (88)	460.36	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	433.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (5)	537.69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (14)	883.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (51)	419.61	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (485)	527.24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (15)	1145.95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	579.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (120)	392.22	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	398.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (7)	464.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	492.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (9)	278.17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance (Brokers) (6)	793.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Bank (12)	243.02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (53)	526.26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (18)	262.66	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (106)	518.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	321.91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (16)	537.69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (746)	532.18	+0.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	PRICE INDICES	Thurs April 26	Day's change %	Wed April 25	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	117.97	+0.06	117.87	—	4.10
2	5–15 years	130.75	+0.11	130.61	—	4.70
3	Over 15 years	139.56	+0.25	139.35	—	4.34
4	Irredeemables	149.02	+0.22	148.69	—	6.87
5	All stocks	129.42	+0.11	129.28	—	4.47
6	Debentures & Loans	108.96	+0.10	108.85	—	3.45
7	Preference	78.18	—	78.20	—	2.55

AVERAGE GROSS REDEMPTION YIELDS

			Thurs April 26	Wed April 25	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	10.25	10.24	9.29
2		15 years	10.29	10.31	10.11
3		25 years	9.85	9.84	10.01
4	Medium Coupons	5 years	10.75	10.77	10.90
5		15 years	10.95	10.97	10.32
6		25 years	10.85	10.87	10.82
7	High Coupons	5 years	10.93	10.94	10.94
8		15 years	10.95	10.97	10.76
9		25 years	10.86	10.87	10.47
10	Irredeemables		9.76	9.76	9.97
11	Debs & Loans	5 years	11.46	11.46	12.16
12		15 years	11.43	11.43	12.17
13		25 years	11.41	11.41	12.17
14	Preference		12.58	12.58	12.25

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C $350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$379.60
GOLD C $375	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD C $400	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD C $425	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD P $350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD P $375	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD P $400	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD P $425	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
SILVER C $9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$9.13
SILVER P $9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
AKZO C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.92.60
AMRO C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.69.30
HEIN C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.131.80
HOOG C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.50.10
KLM C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.170.50
NATN C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
PETR C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Fr.7,950
PHIL C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.49.60
RD C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.158.10
UNIL C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.256.50
EOE C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.165.52

TOTAL VOLUME IN CONTRACTS 29,662

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
B.P. (*515)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons. Gold (*601)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*151)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union (*221)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (*182)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*346)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*620)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Sec. (*286)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp. (*256)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans. (*656)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
LASMO (*336)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho (*140)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O. (*313)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*218)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*667)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*$133)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barclays (*504)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Gp. (*146)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls June	Calls Sep.	Calls Dec.	Puts June	Puts Sep.	Puts Dec.
Beecham (*330)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bass (*378)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers (*$765)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guest Keen (*198)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson (*196)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco (*181)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Apr. 26. Total Contracts 3,104 Calls 2,347. Puts 757
*Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
99 3/16	97⅛	Exch. 3pc 1984	99 3/16	+1/32	3.03	8.79
101 13/32	101 1/16	Treas 12pc 1984	101 1/16	.....	11.86	8.84
105⅛	104 1/16	Treas. 15pc 1985	104 7/16	-1/32	14.36	9.16
102⅜	102⅛	Exch 12pc Cnv. '85	102⅜	.....	11.73	9.15
95⅜	93¾	Treas 3pc 1985	95⅛xd	+1/16	3.15	7.61
102⅝	101 15/16	Treas 11¼pc 1985	102 5/16	+1/16	11 24	9.41
99⅛	98⅛	Treas 8¾pcCnv '85	98 15/16	.....	8.84	9.54
104 3/16	102 13/16	Exch. 12¼pc 1985	103⅝xd	+1/16	11.82	9.71
103 1/16	102⅛	Exch 11¾pc '86	103 3/16	+1/16	11.39	9.76
102 1/16	100 3/16	Treas. 10pcCnv 1986	100 11/16	+1/16	9.93	9.59
90¼	88¼	Treas 3pc 1986	89 3/16xd	.....	3.36	8.77
102	100⅜	Exch. 10½pc Cv '86	100 15/16xd	+1/16	10.40	10.00
104 3/16	102½	Treas 12pc 1986	103½	+⅛	11.59	10.09
98¾	97¼	Treas 8½pc 1984-86‡‡	97 3/16	+1/16	8.73	9.87
108 13/16	107 3/16	Exch. 14pc 1986	108¼xd	+⅛	12.93	10.13
87⅛	85	Exch. 2½pc 1986	86¼xd	+⅛	2.90	8.58
107 11/16	106 1/16	Exch. 13¼pc 1987	106¾	+1/16	12.41	10.31
100⅝	98 13/16	Treas. 10¼% Cv '87	99¼	+1/16	10.28	10.32
86⅛	83 13/16	Exch 2½pc 1987	84 1/16	+1/16	2.97	8.94
101 3/16	99⅛	Exch. 10½pc 1987	100¼	+1/16	10.47	10.39
92 11/16	90⅛	Funding 6½pc '85-87‡‡	91 1/16xd	+1/16	7.14	10.01
99⅝	97 13/16	Treas. 10pc 1987	98⅝	.....	10.14	10.50
85	82¼	Treas 3pc 1987	82½	+⅛	3.62	9.25
105	103 1/16	Treas. 12pc 1987	104¼xd	+1/16	11.52	10.55
94⅞	92	Treas 7¾pc 1985-88‡‡	92 11/16	+1/16	8.35	10.07
100⅜	99 1/16	Exch 10½pc '88	99⅞xd	+1/16	10.51	10.54
98 7/16	96¾	Treas 9¾pc Cv 88	97 3/16	.....	10.03	10.59
82	79	Transport 3pc '78-88	79	.....	3 80	9.16
96 13/16	94 13/16	Treas. 9½pc '88	96xd	+1/16	9.90	10.64
106¾	100⅝	Treas 11½pc 1989	103	+1/16	11.17	10.66

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australians

1984 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's
18	15	♥ACM 20c	15½	......	—	—	—
38	28	♥Allstate Expl'n. NL	28	......	—	—	—
10½	4	♥Asia Oil & Minerals	5½	-½	—	—	—
29	17	♥Aust Hydrocarbons NL	18	......	—	—	—
28	20½	♥Australis Mng NL	26½	......	—	—	—
43	19	♥Balmoral Res.	43	......	—	—	—
36	28	♥Black Hill Mins	30	......	—	—	—

Tins

Miscellaneous

1984 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's
175	135	♥Colby Res Corp.	145	......	—	—	—
955	740	Cons. Murch. 10c	940	+5	100c	1.4	6.2
£20	£15	Eastern Trns. Cns. 50c	£20	......	Q85c	4.9	2.1
625	550	♥Echo Bay Mines	580	-15	—	—	—
252	203	Hampton Areas 10p	245	......	3.75	2.1	2.1
205	170	♥Highwood Res.	190	-5	—	—	—
£24½	£19⅝	Homestake Mining $1	£22¼	......	Q20c	—	0.7
365	275	Northgate C$1	320	-5	—	—	—
718	593	RTZ	667	+9	18.0	2.6	3.9
£155½	£130	Do. 9½pcLn '95-2000	£151	+2	Q9½%	ϕ	6.6
110	70	♥Sabina Inds C$1	78	-2	—	—	—
£11¼	950	♥Tara Exptn $1	£10¼	-¼	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ✝ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ∅ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ⧗ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ǁ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	82	......
Craig & Rose £1	900	......
Finlay Pkg. 5p	54	......
Higsons Brew	103	......
Holt (Jos) 25p	880	......
IoM Stm £1	149	......

IRISH

Exch. 12% 1985	£96⅞	[illegible]
Fin. 13% 97/02	£92½	+⅛
Alliance Gas	70	......
Arnott	220	......
CPI Hldgs	82	......
Carroll Inds	118	......
Hall (R & H.)	58xd	......
Heiton Hldgs.	19	+1
Irish Ropes	40	......
Jacob (W & R.)	65	......
TMG	50	......

OPTIONS — 3-month call rates

Industrials				Property	
Allied-Lyons	15	Hawker Sidd	38	Vickers	14
BOC Grp	27	Hse of Fraser	26	Woolworth Hldg	50
BSR	26	ICI	42		
Babcock	17	Imps	12	Brit Land	11
Barclays Bank	45	ICL	7½	Cap Counties	16
Beecham	32	Ladbroke	23	Land Secs	25
Blue Circle	40	Legal & Gen	45	MEPC	25
Boots	16	Lex Service	40	Peachey	17
Bowaters	25	Lloyds Bank	50	Samuel Props	12
Brit Aerospace	20	Lofs	3	Sterling Guar	4
BAT	15	Lucas Inds	18	Oils	
Brown (J.)	5	"Mams"	14	Brit. Oil & Min	9
Burton Ord.	22	Marks & Spcr	20	Brit Petroleum	35
Cadburys	11	Midland Bk	36	Burmah Oil	17
Comm Union	16	NEI	10	Charterhall	9
Courtaulds	11	Nat West Bk	60	Premier	6
Debenhams	14	P & O Dfd	25	Shell	55
Distillers	22	Plessey	29	Tricentrol	20
Dunlop	5	Racal Elect	18	Ultramar	60
FNFC	6½	RHM	8	Mines	
Gen Accident	42	Rank Org Ord	24	Charter Cons	24
Gen Electric	16	Reed Intnl	40	Cons. Gold	58
Glaxo	70	Spillers	8	Lonrho	12
Grand Met	30	TI	22	Rio T Zinc	60
GUS "A"	55	Tesco	16		
Guardian	50	Thorn EMI	55		
GKN	20	Trust Houses	18		
Hanson Tst	17½	Turner Newall	10		
		Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 43

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

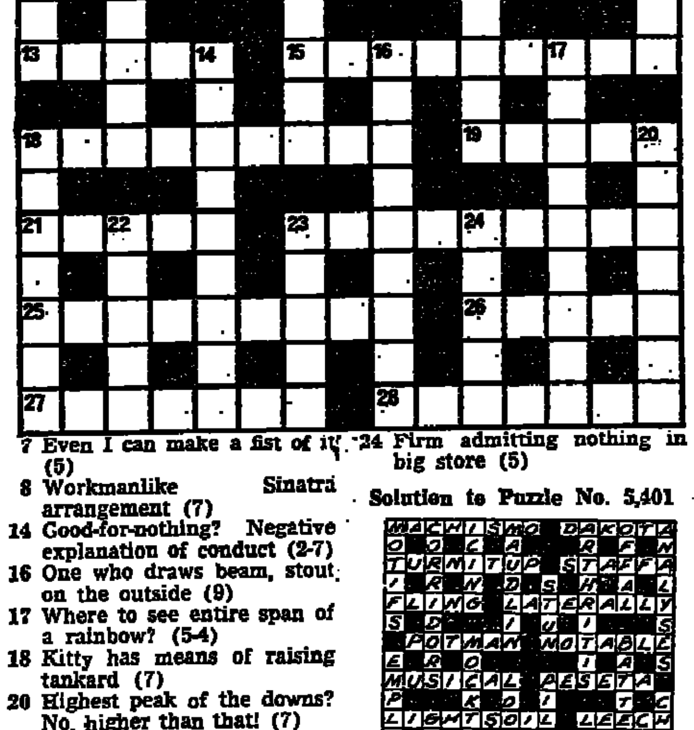
Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,402



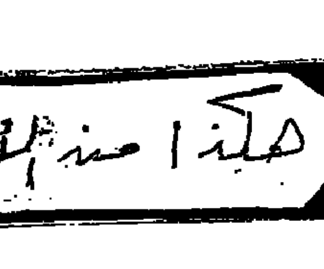
ACROSS

1 Acrobat often seen on the bars (7)
5 Chatterer acting strangely about love (7)
9 Lumpy part of eastern odalisque (5)
10 Going down to a bargain department (9)
11 I join car-makers in Venice, perhaps—this can be shown (9)
12 Encounters in Hunts. (5)
13 No water for fragile canoe (5)
15 Brown layer of Greater London (9)
18 Bird—one that does not fly—rarely seen close to pelicans (3-6)
19 Nothing in beers to make them purgative (5)
21 Paper in strips? That is funny! (5)
23 Rather slow half of Poplar has poor quarter (9)
25 Standard that French attempt in polished floor-show (9)
26 A health area grant (5)
27 Could be three at Cambridge, for instance (7)
28 Colourful horse swallows medal—who could fish it out? (7)

DOWN

1 Cross to break goal-net (7)
2 Skill of delivery assistants? (9)
3 This time, I call out some of Schubert's music, just for show (5)
4 New blood-rack needed—arterial obstruction here (4-5)
5 Stretch neck of bird (5)
6 The halo madness? (9)
7 Even I can make a fist of it (5)
8 Workmanlike Sinatra arrangement (7)
14 Good-for-nothing? Negative explanation of conduct (2-7)
16 One who draws beam, stout on the outside (9)
17 Where to see entire span of a rainbow? (5-4)
18 Kitty has means of raising tankard (7)
20 Highest peak of the downs? No, higher than that! (7)
22 System that turns out heap lighter than semaphore? (5)
23 Dark flower, quite unrelated to forget-me-not (5)
24 Firm admitting nothing in big store (5)

Solution to Puzzle No. 5,401



INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Ass.—Cont.

Income Accum	136 6	143 8	+0 9
Do Initial	130 9	137.8	+0 9
Universal Tre. Acc.	90.2	95 0	+0 5
Do Initial	89 0	93 7	+0 4
Man Pens. Accum.	272 0	286 4	
Do. Initial	220 7	232.4	
Gilt Edg.Pens. Accum.	221.3	233.0	
Do. Initial	172 5	181.6	
Money Pens. Accum	195 9	206.3	
Do. Initial	154 9	163.1	

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	259.71		
Managed Inv. Fd.	173.99	183.15	
Property Fd.	154.00	162.11	
Fixed Interest Fd.	151.41	159.38	
Cash Fd.	138.81	146.12	
Income Fd.	200.96	211.54	
Extra Income Fd.	189.93	199.93	
Worldwide Growth Fd.	228.65	240.69	
Balanced Fd.	201.20	211.79	
Smlr Co's & Recv. Fd	230.27	242.39	
Int. Technology Fd	264.05	277.95	
Nth. Amer. & Gen. Fd.	146.34	154.05	
Energy Int. Fd.	111.39	117.05	
Pacific Basin Fund	164.81	173.49	

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	122.5	128.9	
Property	127.2	133.9	
Equity	133.5	140.5	
International	136.2	143.4	
Fixed Interest	106.9	112.5	
Deposit	102.2	107.6	
Managed Pen. Cap.	122.4	128.8	
Property Pens. Cap.	129.1	135.9	
Equity Pens. Cap.	128.5	135.3	
Intnl. Pens. Cap.	141.9	148.5	
Fixed Int. Pens. Cap.	101.9	107.3	
Deposit Pens. Cap.	98.6	103.8	

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1	103.6		
Retmt. Fed. April 6	296.3	+21.1	
Managed Pen Fund	198.2	208.7	
Property Pen Fund	116.0	122.1	
Index Lnkd Pen Fund	111.5	117.4	
Managed	131.3	138.3	+1.3
Property	106.8	112.5	
Gilt and Fixed Interest	110.1	115.9	+1.3
Index-Linked	96.9	102.0	
Equity	133.6	140.7	+0.8
Cash	107.9	113.6	
Midland Bk. Unit Tst.	130.7	137.6	+0.3
Midland Bank Invst.	150.7	158.7	+0.1

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£43.08	—	+0.15
Property Units	£17.60	—	
Equity Bond/Exec	£27.81	29.43	+0.11
Prop. Bond/Exec	£23.01	24.35	
Bal. Bd./Exec/Unit	£24.59	26.02	+0.04
2nd Equity Acc.	215.9	228.5	+0.8
2nd High Inc/Acc	178.8	189.2	−0.5
2nd Property Acc	175.1	185.3	
2nd Managed Acc.	177.9	188.3	+1.4
2nd Deposit Acc	148.5	157.1	
2nd Gilt Acc.	147.3	155.9	+0.2
2nd American Acc	165.5	175.1	+0.4
2nd Intl Money Acc.	148.7	157.4	+0.2
2nd Index Acc.	98.3	104.0	+0.2
2nd Far East Acc.	110.0	116.4	
2nd Eq. Pens./Acc.	318.9	329.0	+1.3
2nd HI Inc Pens/Acc.	192.4	203.6	−0.6
2nd Prp. Pens/Acc	226.1	239.3	
2nd Mgd. Pens/Acc	231.1	244.6	+0.6
2nd Dep. Pens/Acc.	198.2	209.7	
Gilt Pens/Acc	193.1	204.3	+0.3
2nd Am. Pens/Acc	228.3	241.6	+0.6
2ndIntl.MoneyPens/Acc	184.6	195.3	+0.2
2nd Index Pens./Acc.	104.8	110.9	+0.2
2nd Far East Pens/Acc.	111.9	118.4	
L & E S.I.F.	77.5	82.0	
L & E S.I.F. 2	52.0	55.5	

Current value at April 25.

Capital Life Assurance
Continued on adjacent Page

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	127.3	134 0	0 2
GT Pln High Yld Fnd	137.1	144.4	+0 6
GT Plan Far East Fnd	136.5	143 7	−0.4
GT Plan N. Am Fd	120.6	127.0	−0 5
GT Pln UK&G E. Fnd	158.5	166.9	+0.5
GT Pln Wrldwde Fnd.	153.1	161 2	+0.9
GT Pension Bnd Fnd.	139.1	146.5	−0.3
GT Pen High Yld Fd	159.2	167.6	+0.8
GT Pen Far East Fd	172.4	181.5	+0.6
GT Pen N. Am. Fd	174.3	183.5	−1.3
GT Pen UK & G.E. Fd	185.4	195.2	+0.5
GT Pen Worldwide Fd.	164.0	172.7	+0.9

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	173.6	182.8	

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	272.7		
Portfolio Fd. Init.	220.6		

Continued on adjacent Page

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd, B'mouth. 0202 767655

Managed Fd.	288.4	303.9	+0.2
Money Fd	159.3	167.6	+0.2
Equity Fd	245.2	258.4	+0.2
Fixed Int. Fd	120.8	127.3	+0.1
Property Fd	177.4	186.9	+1.2
Managed Pen. Fd	282.6	297.8	
Equity Pension Fd	182.0	191.8	
Fixed Int. Pen. Fd	171.1	180.3	
High Yield Pen. Fd	168.6	177.7	
Money Pension Fd	133.5	140.3	
Property Pension Fd	129.9	136.9	
Gresham/Framlington			
American & Gen. Fd.	226.1	238.3	+1.7
Income Fd	220.6	232.5	+1.0
Int'l. Growth Fd	269.4	283.5	+0.3
Capital Fund	228.6	240.9	+0.6
Recovery Fund	167.5	176.5	+2.4
Japan & Gen Fd	103.9	109.5	+0.8

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	1,534	—	
Landbank Secs.	0.6674	—	
Landbank Secs. Acc.	189.2	194.1	
G. & S. Super Fd	11.590	—	

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101

Guardian Assurance

Property Bonds	313.5	326.5	
GRE Linked Assurance Ltd.			
Managed Initial	233.1	245.4	+1.8
Do. Accum	261.8	275.6	+2.0
Equity Initial	304.9	320.9	−1.3
Do. Accum	342.5	360.5	+3.0
Fixed Int. Initial	197.0	207.3	+0.6
Do. Accum.	221.3	232.9	+0.7
Intnl. Initial	218.0	229.5	−1.8
Do. Accum	244.9	257.8	−1.1
North American Initial	94.5	99.5	−0.9
Do. Accum	96.6	101.7	−0.9
Pacific Initial	116.0	122.2	−1.3
Do. Accum	117.5	123.7	−1.4
Index-Linked Gilt Init.	91.9	96.6	−0.1
Do Accum	93 9	98.8	
Property Initial	123.5	130.0	
Do Accum	138.5	145.8	
Deposit Initial	124.7	131.3	+0.1
Deposit Accum.	140.1	147.5	+0.1
GRE Pensions Management Ltd.			
Pens. Managed Initial	234.7	247.1	+0.1
Pens. Managed Acc.	257.7	271.3	+0.1
Pens. Equity Initial	327.7	344.9	+1.0
Pens. Equity Acc.	359.8	378.7	+1.2
Pens. Fxd. Int. Initial	205.7	216.5	+0.4
Pens. Fixed Int. Acc.	225.8	237.7	+0.5
Pens. Int'l Initial	214.5	225.7	+2.5
Pens. Int'l. Acc.	235.5	247.8	+2.8

Continued on adjacent Page

Hambro Life Assurance PLC
Allied Hambro Ctr, Swindon, SN1 1EL 0793 28291

Fixed Int. Dep. Acc.	190.7	200.8	+0.2
Equity Acc.	437.5	460.4	−0.4
Property Acc.	288.8	304.0	+0.2
Managed Cap.	244.5	257.4	−0.1
Managed Acc.	376.3	396.3	−0.1
O'seas Earnings Acc.	288.3	303.5	−1.0

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

NOTES

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COMMODITIES AND AGRICULTURE

Broken Hill halts lead smelting

BY JOHN EDWARDS, COMMODITIES EDITOR

BROKEN HILL Associated Smelters, the Australian metal producer, confirmed yesterday that it would stop lead smelting at its Port Pirie plant on May 4 because of the continued closure of the Broken Hill silver, lead and zinc mines.

The company has been using up concentrate stocks since the mines closed on March 28 following an industrial dispute.

Port Pirie is an important source of primary lead supplies with normal production of about 4,500 tonnes a week. The company said the smelter would be closed for at least two weeks, but this could be extended if the mines dispute was not resolved.

However, a mass meeting of mineworkers in Broken Hill yesterday agreed to comply with a call from the New South Wales Industrial Commission to attend a compulsory conference in Sydney next Monday aimed at settling the dispute.

Meanwhile, Asarco of the U.S. announced that it would resume operations at its Glover lead smelter in Missouri next month. The smelter was closed in March but has now accumulated enough concentrates to operate from early May to the end of July.

Mr Richard Osborne, president of Asarco, told the company's annual meeting in New York that he did not expect lead prices to rise much above present levels. He said there was a large stockpile of lead in the form of spent batteries which could be recycled if values increased further.

He was also pessimitic about any price rise for silver. However, he said rising demand should keep the zinc market firm, and that the cyclical recovery in copper prices should continue as consumption appeared to have caught up with supply.

Asarco yesterday cut its domestic U.S. selling price for copper by 1 cent to 72 cents a lb. On the Londos Metal Exchange copper closed marginally lower, as did zinc, but lead rallied following the confirmation of the Port Pirie smelter closure.

Grain surpluses attacked

BY JOHN EDWARDS, COMMODITIES EDITOR

GRAIN producers in the European Community are "hell-bent" on creating the same oversupply catastrophe that has hit the milk sector, Mr R. E. R. Tyrell, president of the Grain and Feed Trade Association, warned last night.

Speaking at the association's annual dinner in London, Mr Tyrell said present proposals would do little or nothing to arrest over-production and the cereals sector could expect to follow the dairy sector in having severe restrictions placed on production.

He said that the original concept of self-sufficiency might have something to commend it, but the production of a surplus which the Community could not use and which the needy world could not pay for could not be justified.

Mr Tyrell added that if certain of Britain's partners within the EEC needed to export grain to earn foreign currency, then the cost of this should be borne by them.

Sharp rise in potato futures prices

By Our Commodities Staff

POTATO futures prices on the London market moved up sharply yesterday, reflecting growing doubts about the prospects for the orderly liquidation of the prompt April position which expires on Monday.

Fears that a technical squeeze on supplies could be exacerbated because of the recent decision to tighten up the contract specification for deliverable supplies helped to lift the April quotation £24 to £247.50 a tonne.

The market's management committee announced two weeks ago that, because of worries over the delivery of samples "unrepresentative" of the crop, samples containing more than 225 tubers a cwt would be disqualified even if they met the contract requirements in every other way.

● EEC Commission released 63,030 tonnes of white sugar for export at its weekly tender with a maximum rebate of 41.202 European currency units per 100 kilos.

● SRI LANKAN tea production rose to 18.8m kilos last month, up 6.7m from March last year and the highest recorded March production since 1978, the tea board said. Production for the first quarter of 1984 was 52.5m kilos against 15.8m.

● TEA production in the South Indian states of Kerala and Tamil Nadu rose to 34.8m in the first quarter, against 20.6m last year, the United Planters Association of South India said.

● MALAYSIA raised the export duty on ground and unground white pepper to 1,111.52 and 599.90 ringgit a tonne from 1,082.15 and 578.89 respectively. The duty on black pepper rose to 35.53 ringgit a tonne from 25.19..

● SOVIET spring grain sowing is still lagging behind last year's levels and soil moisture levels are too low, according to a report in the Communist Party daily Pravda.

Stern words on horn versus corn

THE EEC Commission, having thoroughly sapped the confidence of Britain's dairy farmers with the hurried imposition of milk quotas, has turned its attention to the arable sector.

In a move remarkably similar to that which presaged the milk quotas, Mr Peter Pooley, EEC deputy director general of agriculture, warned a conference last week that arable farmers were low on the Commission's support priority list. The balance between horn and corn would have to be corrected and cereal prices would have to fall to closer to world levels to reduce the costs of export refunds.

Nor according to Mr Pooley was there much further scope for moving over to the supported crops of oilseed rape and peas. Supplies of both have been rising fast because of price guarantees' and now look like exceeding demand. The general aim, he said, should be to get EEC grain prices down to levels which would compete with the imported cereal substitutes.

In spite of Mr Pooley's stern words, the Council of Ministers has dealt much more leniently with arable farmers than with dairymen. Therehas been a 1 per cent cut in cereal intervention prices and a 2 per cent cut in the guaranteed price for oiseed rape, and there is a delay of four months in payments for intervention stocks and some export refunds. These have combined to reduce futures prices about 7 per cent for wheat and 6 per cent for barley in September.

The Commission has always been rather ambivalent about cereals. In the early days there was a theory that the output of livestock products could be controlled by manipulating the price of grain, but this was nevtr put to the test. In any case it has been sabotaged as a proposition by the importation of theso-called cereal substitutes z

It is obvious that in terms of subsidy per acre or per unit of production, grain support is much cheaper than milk support. Even with the imposition of the quota, milk will becosting about £120 a year per cow.

EEC cereal support for 1983 was budgeted at about £10.50 a tonne. On an acreage basis this would be about £25 an acre against over £100 an acre for milk. Hence the tenderness towards the arable sector.

In fact, because of the reduction in supplies caused by the U.S. payment in kind programme, the cost of cereal support has probably been reduced below budget, particularly for feed grains. U.S. prices for maize, however, are set to fall by about 20 per cent by next December, and this will drag down all world prices, so widening the gap between these and the EEC's and putting pressure on Community expenditure.

Mr Pooley gave a hint as to his thinking here by suggesting that both intervention and export standards could well be raised. He also suggested that farmers should pay more attention to growing what the customer really wants — that is, milling and malting varieties of wheat and barley.

This is an old chestnut which surfaces almost every time a miller or maltster speaks to a farmer audience, but while these people hector us they never back their demands with money. The premiums paid reflect the state of market demand and have little to do with quality.

Farmers have learnt this and know that the best option is to go for the high yield given by the feed varieties. It would take the offer of a very high premium indeed to make me plump for what the millers and maltsters say they really want.

The only certain way of saving money in cereals would be by raising quality standards, Mr Pooley suggests, on intervention and export refunds. This would force grain onto the home market and prices would fall.

How far they would drop is anyone's guess, but because wheat quality is generally lower in Britain than in France and Germany for climatic as well as varietal reasons, one could expect real pressure on the UK market.

Faced with this situation, what can the sensible cereal farmer do?

It is useless for the individual to cut production. It will only make room for someone else's surplus and he will still receive prices based on the market. Only if he can cut his overheads and variable costs to match the fall in yields can this alternative be contemplated.

Switching to livestock is a non-starter. Entry into milk is impossible, sheep production is under threat, and pigs and poultry have no scope for expansion. Beef is in Community surplus and uneconomic as well.

What about other arable crops? Oilseed rape and peas are already threatened, and potatoes and sugar beet are limited by quota.

There is scope for cost cutting. Thanks to the 100 per cent capital allowances, most arable farmers are well mechanised and this mechanisation should have been paid for. There is scope for economies in usage of fertilisers and chemical sprays. Rents could be forced down as fast as they have been pushed up. Even bank interest, as the South Americans have shown us, is not as sacrosanct as it used to be.

And as an afterthought, what about one of those deals with the Countryside Commission under which it pays farmers for leaving the more difficult parts of the farm as a nature reserve?

Farmer's Viewpoint: By John Cherrington

French minister warns U.S. against attacks on CAP

BY NANCY DUNNE IN WASHINGTON

M MICHEL Rocard, the French Agriculture Minister, has issued a strongly worded warning that U.S. attacks on the Common Agricultural Policy could lead to the crumbling of the EEC.

"I must emphasise that trading relations between the U.S. and Europe are characterised by bad faith, lack of trust and harmful, simplistic and overharsh criticism," he wrote in an article in the Wall Street Journal published to coincide with his arrival in the U.S.

"For the U.S. there is a great danger that the EEC, hitherto bound together in large part because of the dynamism of its CAP, will crumble."

M Rocard warned: "If Europe explodes from within, this may well encourage some of its members to explore neutralist solutions.

"Smaller countries in northern Europe could be condemned to Finlandisation. Spain might leave Nato, and West Germany could inherit as its only hope for survival an Ostpolitik riddled with doubts and uncertainties for the future."

Although M Rocard refrained from attack in his initial meeting with U.S. Congressmen yesterday, he was expected to discuss the maizegluten feed controversy as well as other CAP reforms in meetings

Besides meeting with agriculture officials, he is scheduled to see Mr Bill Brock, U.S. Trade Representative, and several leading farm-state Congressmen.

Feelings within the U.S. farming community run strongly against France, which is seen as the chief culprit in the proposal to restrict maize gluten imports and tax fats and oils. Agriculture leaders have said repeatedly that the U.S. will not "bear the cost" of the CAP reforms.

Ghana calls for joint stance on cocoa pact

By Peter Blackburn in Abidjan

A JOINT stance in next month's negotiations to renew the International Cocoa Agreement is the main subject being discussed during a visit to the Ivory Coast by Ghana's Agricultural Minister, Mr John N'Debugre.

Speaking after talks with President Houphouet Boigny in Abidjan, Mr N'Debugre said: "Our people suffer from a steady deterioration in purchasing power and it is high time we strengthened relations in order to defend our common interest."

Ghana wanted "a more realistic agreement better serving the interests of those involved," he said.

The Ivory Coast's Agriculture Minister, Mr Denis Bra Kanon, disagreed with an EEC forecast of a world cocoa surplus. He pointed out that since the record 1981-82 crop Ivorian output had steadily fallen as a result of bush fires and a cut in cocoa promotion caused by Government's financial difficulties.

The increase in value of the U.S. dollar in recent years had raised transport and insurance costs and considerably reduced export earnings, Mr Bra Kanon said.

The Ghanaian minister's visit follows that of Mr Bra Kanon to Accra in March and that of Flt Lt Jerry Rawlings, the Ghanaian head of state, to Yamoussoukro last December.

It apparently indicates that coloperation between the two countries has been unaffected by last month's raid launched by Ghanaian dissidents based in the Ivory Coast in which at least 11 people died

● On the London futures market yesterday early gains in cocoa values were quickly trimmed back by speculator profit-taking. The July position climbed to £1,923 a tonne, reflecting the strength of the New York market overnight, but ended only £4.50 up on the day at £1,911 a tonne

PRICE CHANGES

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. Copper remained a depressed market and fell to £1,058, reflecting easier precious metal prices and U.S. selling pressure, but rallied to close the late kerb at £1,064. Trade buying sustained Lead

Nickel—Morning: Cash £3,457, three months £3,520, 25, 30, 35, 32, 34, 30. Kerb: Three months £3,525, 20. Afternoon: Three months £3,525, 30, 27, 29, 35, 38, 40. Kerb: Three months £3,540, 50, 55, 53, 55, 60. Turnover: 1,234 tonnes.

SILVER

147.50, first half May 148.25 sellers East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices: Feed wheat—W Mids 128.00. Feed barley—W Mids 120.80, N West 121.80. The UK monetary coefficient for the week beginning Monday April 30 is expected to remain unchanged.

tions. Syria purchased 2 cargoes of white sugar for June and July shipment at $195.00 and $196.00 respectively C and F.

Sales: No. 4 15 (5): No. 6 3,132 (3,626) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £215.75 (£214.50) a tonn for export.

AMERICAN MARKETS

NEW YORK, April 26.

COPPER PRICES were lower on follow-through liquidation by commercial houses but found some late trace support which pared the day's losses. Aluminium prices were firmer on user buying and arbitrage activity off a stronger pound. Sugar prices finished

selling by commercial houses also became a factor. Cotton prices traded higher mostly on concern about planting delays in the main producing areas. Heavy late selling, especially in maize, pushed the grain markets to new lows. The pressure was provided by massive selling by local traders, while commer-

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to improve but narrowly fails to breach DM 2.70 level

The dollar continued to improve in currency markets yesterday and finished just below the day's highs, having failed to breach the important DM 2.70 level against the D-mark. Nevertheless, the dollar's closing rate of DM 2.6965 was up sharply from Wednesday's close of DM 2.6795 and was its best closing level for two months.

The dollar remained firmly underpinned as the market viewed the possibility of any significant reduction in U.S. interest rates in the near term as remote. There was also speculation that today's U.S. trade figures for March will not be as bad as had been anticipated. Against this background the dollar attracted fresh buying in reasonable volume. It rose to SwFr 2.2270 from SwFr 2.2170 against the Swiss franc and Y226.0 from Y225.65 in terms of the yen. Against the French franc it finished higher at FFr 8.2725 from FFr 8.2275. On Bank of England figures, the dollar's trade-weighted index rose to 129.0 from 128.6.

STERLING — Trading range against the dollar in 1984 is 1.4940 to 1.3955. March average 1.4564. Trade-weighted index 79.8 against 79.9 at noon. This compares with 79.9 on Wednesday and 83.6 six months ago.

Sterling opened on a slightly firmer note, almost matching the dollar's gains in terms of European currencies. It lost ground during the afternoon, however, after the opening of New York and finished on a weaker note. It closed at $1.4025-1.4035 against the dollar, a loss of 85 points, having touched a best level of $1.4160. It was unchanged against the D-mark at DM 3.7850 but eased against the Swiss and French francs to SwFr 3.1275 and FFr 11.6050 from SwFr 3.1325 and FFr 11.61 respectively. It was also a little weaker against the yen at Y317.25 from Y318.75.

D-MARK — Trading range against the dollar in 1984 is 2.8425 to 2.5535. March average 2.5967. Trade-weighted index 125.6 against 126.8 six months ago.

The D-mark weakened against several major currencies at the Frankfurt fixing, showing some nervousness on the decision by the West German metal workers' union to ballot its members on regional strikes. The Bundesbank did not intervene when the dollar was fixed at DM 2.6838, compared with DM 2.6836, and was probably not active on the open market. Sterling improved to DM 3.7890 from DM 3.7870, while the Swiss franc was little changed at DM 1.2112, compared with DM 1.2111. Within the EMS the French franc rose to DM 32.56 per 100 francs from DM 32.535; the Belgian franc to DM 4.9070 per 100 francs from DM 4.9030; and the Dutch guilder to DM 88.710 per 100 guilders from DM 88.675. On the other hand the lira fell to DM 1.6160 per 1,000 lira from DM 1.6190, and the Irish punt to DM 3.0640 from DM 3.0660.

JAPANESE YEN — Trading range against the dollar in 1984 is 234.80 to 232.25. March average 225.16. Trade-weighted index 160.7 against 153.3 six months ago.

The yen improved slightly against the dollar in moderate Tokyo trading. The dollar fell to Y225.15 from Y225.35, after opening at the day's high of Y225.30, and touching a low of Y225.00. Its weaker trend reflects speculation that the U.S. weekly M1 money supply would show a small decline, and that today's U.S. trade figures will record another very large deficit of around $10bn. The D-mark also lost ground to the yen on nervousness about possible strikes in key industries by West German metal workers. The D-mark declined to Y84.19, from Y84.22 at the previous New York finish.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 26	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.5587	+1.47	+1.43	±1.5447
Danish Krone ...	8.14104	8.22099	+0.98	+0.94	±1.6425
German D-Mark	2.24184	2.23689	−0.22	−0.26	±1.0642
French Franc ...	6.87456	6.86677	−0.11	−0.15	±1.4052
Dutch Guilder ...	2.52595	2.51980	−0.24	−0.28	±1.4964
Irish Punt	0.72569	0.729258	+0.49	+0.45	±1.6689
Italian Lira	1403.49	1385.00	−1.32	−1.32	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York

	April 26	Prev. close
Spot	1.4030-4040	$1.4120-4150
1 month	0.25-0.28 dis	0.26-0.27 dis
3 months	0.75-0.80 dis	0.80-0.85 dis
12 months	3.20-3.30 dis	3.21-3.28 dis

£ forward rates are quoted in U.S. cents discount.

THE DOLLAR SPOT AND FORWARD

April 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4015-1.4160	1.4025-1.4035	0.23-0.28c dis	−2.18	0.75-0.80cdis	−2.15
Ireland†	1.1374-1.1440	1.1386-1.1392	0.20-0.13c pm	1.74	0.53-0.41pm	1.65
Canada	1.2761-1.2796	1.2789-1.2794	0.05-0.03c pm	0.38	0.09-0.07pm	0.25
Nethlnd	3.0220-3.0385	3.0375-3.0395	1.27-1.22c pm	4.94	3.65-3.60pm	4.80
Belgium	54.62-54.93	54.91-54.93	2.5-4.0c dis	−0.71	4.0-6.0dis	−0.37
Denmark	9.8550-9.9100	9.9050-9.9100	0.35orepm-0.15dis	−0.30	1.25-0.75pm	0.40
W. Ger	2.6730-2.6980	2.6960-2.6970	1.16-1.11pf pm	5.28	3.57-3.52pm	5.27
Portugal	135.50-136.90	136.00-136.50	60-200c dis	−11.45	220-600dis	−12.04

THE POUND SPOT AND FORWARD

April 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4015-1.4160	1.4025-1.4035	0.23-0.28c dis	−2.18	0.75-0.80dis	−2.15
Canada	1.7920-1.8100	1.7930-1.7940	0.22-0.32c dis	−1.80	0.81-0.91dis	−1.92
Nethlnd	4.23½-4.28	4.26-4.27	1¼-¾c pm	2.81	3½-2¾pm	2.69
Belgium	76.90-77.40	77.00-77.10	15-25c dis	−3.11	45-55dis	−2.07
Denmark	13.88-13.95	13.89-13.90	2¾-3¾ore dis	−3.34	6½-7½dis	−2.01
Ireland	1.2320-1.2390	1.2340-1.2350	0.37-0.46p dis	−4.03	1.09-1.22dis	−3.77
W. Ger	3.77½-3.80	3.78-3.79	1¼-¾pf pm	2.77	3½-2¾pm	3.04

FINANCIAL FUTURES

Eurodollars firm

Three-month Eurodollars for June delivery closed at the day's peak of 88.98 on the London International Financial Futures Exchange, helped by gains in early trading on the equivalent Chicago IMM contract. Sentiment was helped by the Federal Reserve's announcement Wednesday that the New York banking system would receive an injection of liquidity on both Wednesday and Thursday by way of system repurchase agreements. This was regarded as a strong hint that the Federal Reserve does not intend to push interest rates any higher in the near term. June Eurodollars opened at 88.93, near the day's low of 88.92, but above the previous settlement figure of 88.89.

Gilt futures for June delivery opened firm after a more encouraging tone to the U.S. bond market overnight. The contract traded up for about the first 30 minutes, and was also supported by the early strength of the pound on the foreign exchanges, which was said to be partly in response to news of an explosion on an oil tanker in the Gulf.

It failed to hold on to the early gains however, following the success of the Government Broker in selling stock on the cash market. After opening at 107-17 June gilts touched a peak of 107-20, but then fell back to a low of 107-08 as the decline of the pound against the strong dollar depressed both the cash and futures markets. The contract closed at 107-10, compared with 107-08 previously, gaining some support from strength of the U.S. bond market.

Three-month sterling deposit futures were firm, in quiet trading, closing at the day's high of 91.05, against 91.00 previously.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
June	88.98	88.98	88.92	88.89
Sept	88.43	88.43	88.38	88.34
Dec	8.01	88.01	87.97	87.92
March	—	—	—	87.55
June	—	—	—	—

Volume 2,657 (2,756)
Previous day's open int 15,069 (14,715)

THREE-MONTH STERLING DEPOSIT
£250,000 point of 100%

	Close	High	Low	Prev
June	91.05	91.05	91.01	91.00
Sept	90.65	90.67	90.63	90.64
Dec	90.32	90.35	90.34	90.32
March*	—	—	—	90.05
June*	—	—	—	—

Volume 870 (654)
Previous day's open int 8,627 (8,524)
*£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4450	0.4468	0.4443	0.4459
Sept	0.4503	0.4503	0.4502	—

Volume 29 (8)
Previous day's open int 473 (468)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev
June	65-16	65-22	65-13	65-12
Sept	64-30	65-04	64-27	64-26
Dec	64-16	64-21	64-13	64-12
March	64-04	64-08	64-02	64-00
June	63-25	63-29	63-25	63-12
Sept	63-16	63-19	63-16	63-12
Dec	63-08	63-11	63-08	63-04
March	63-01	63-04	63-01	62-29

U.S. TREASURY BILLS (IMM) $1m
points of 100%

	Latest	High	Low	Prev
June	90.12	90.16	90.10	90.11
Sept	89.67	89.63	89.59	89.60
Dec	—	89.24	89.21	89.21
March	88.92	88.93	88.92	88.91
June	88.66	88.66	88.66	88.65
Sept	—	88.45	88.45	88.42

Legal Notices

No. 001221 of 1984
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
MR. JUSTICE MERVYN DAVIES
IN THE MATTER OF
VIC HALLAM PLC
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated the 16th April 1984 CONFIRMING the REDUCTION of the CAPITAL of the above-named Company from £5,250,000 to £5,087,000 and the Minute approved by the Court showing with respect to the Share Capital of the Company as altered, the several particulars required by the above Act were registered by the Registrar of Companies on 19th April 1984.

Dated the 24th April 1984.
SLAUGHTER AND MAY,
35 Basinghall Street,
London EC2V 5DB.
Solicitors for the said Company.

Financial Times Surveys

The publication dates of two Financial Times surveys due to appear next week have been rearranged as follows:

Lancashire will now be published on Monday 30th April.

Gold will now be published on Wednesday 2nd May.

MONEY MARKETS

London rates show little change

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

COMPANY NOTICES

WESTERN DEEP LEVELS LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF 12 PER CENT UNSECURED DEBENTURES 1986-1993—INTEREST PAYMENT NO. 8

Notice is hereby given that in respect of the interest on the debentures for the period January 1 to June 30 1984, warrants bearing the latter date will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 20 1984 to debenture holders registered at the close of business on May 25 1984. For that purpose the transfer registers and registers of debenture holders will be closed from May 26 to June 8 1984, both days inclusive.

Registered debenture holders paid from the United Kingdom will receive the United Kingdom currency equivalent on May 28 1984 of the rand value of the interest due to them. Any such debenture holders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before May 25 1984.

In terms of the Republic of South Africa Income Tax Act, 1962, as amended, a withholding tax at the rate of 10 per cent will be deducted by the company, where applicable, from the interest payable to those debenture holders whose addresses in the registers of debenture holders are outside the Republic of South Africa. Interest amounting to R20 or less accruing in any one year is exempt from the tax.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per R. S. Edmunds
Divisional Secretary

Transfer Secretaries
Consolidated Share Registrars Limited
First Floor, Edura
40 Commissioner Street
Johannesburg 2001
(P.O. Box 61051
Marshalltown 2107)

Charter Consolidated P.L.C.
P.O. Box 102
Charter House, Park Street
Kent TN24 8EQ

Registered Office
44 Main Street
Johannesburg 2001
(P.O. Box 61587
Marshalltown 2107)

Johannesburg
April 27 1984

ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED ("AMIC")

RIGHTS OFFER TO RAISE R100 MILLION

The directors of Amic announce their intention to proceed with a rights offer of ordinary shares to ordinary shareholders and option holders to raise R100 million.

In recent years Amic has made a number of significant new investments and has embarked on major capital expansion programmes in its operating subsidiaries. The proceeds of the rights offer will supplement Amic's existing permanent resources and will be used to finance the corporation's ongoing participation in capital projects and will also give Amic the opportunity in a position to take advantage of new investment opportunities as they arise.

The Amic group is budgeting for an increase in earnings in 1984 and, in the absence of unforeseen circumstances, the directors intend at least to maintain the Amic dividend at 180 cents per share on the increased capital after the rights offer.

It is intended that the rights offer will be made to ordinary shareholders and option holders registered in the books of the corporation at the close of business on Friday, May 25 1984 ("the record date").

Further details of the rights offer and confirmation of the record date will be announced in due course.

JOHANNESBURG
April 26 1984

THE RIO TINTO-ZINC CORPORATION PLC

ANNUAL GENERAL MEETING

[illegible]

SELECTED RISK INVESTMENTS S.A.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

[illegible]

BANK HANDLOWY W. WARSZAWIE S.A.

Registered Office:
Traugutta 7-9 Warszawa (Poland)

FLOATING RATE NOTES
1978-1988 OF US$1,000

Considering the 16,603 bonds presented for optional redemption as at May 31, 1983 and, pursuant to an agreement dated November 1983, the 7,363 bonds which were withdrawn from circulation and thus became debts independent from the debenture loan, the outstanding amount was US$6,034,000 before the first redemption.

Serial including the 1,207 bonds called on the first drawing by lot on April 16, 1984 representing the total nominal amount of US$1,207,000 to be redeemed as at May 31, 1984:
27,800 to 29,228.

These bonds are redeemable at US$1,000 at the offices of the following establishments:
—BANQUE NATIONALE DE PARIS —Paris
—BANQUE NATIONALE DE PARIS (LUXEMBOURG) S.A.—Luxembourg
—BANQUE INTERNATIONALE A LUXEMBOURG—Luxembourg
—*CREDIT LYONNAIS—Paris*
—EUROPEAN BANKING COMPANY LIMITED—London
—FRENCH AMERICAN BANKING CORPORATION—New York
—SOCIETE GENERALE—Paris
Outstanding amount US$4,827,000.

STANWICK INTERNATIONAL CORPORATION S.A.

14, rue Aldringen,
LUXEMBOURG

Commercial Register:
Section B No 13142

At the meeting of shareholders of SCHLESINGER INTERNATIONAL FUND (LUXEMBOURG) S.A., now renamed STANWICK INTERNATIONAL CORPORATION S.A., all the resolutions on the agenda which was published on 9th April, 1984 were passed. Consequently SCHLESINGER INTERNATIONAL FUND (LUXEMBOURG) S.A. will cease to redeem shares upon requests by shareholders from 30th April, 1984 on. Up to such date, shareholders may request and obtain repurchase of their shares at the higher of U.S.$21.15 or the prevailing repurchase price as calculated pursuant to the Articles of Incorporation of SCHLESINGER INTERNATIONAL FUND (LUXEMBOURG) S.A. before their amendment.

BY ORDER OF THE BOARD

JAMES BEATTIE PLC

NOTICE IS HEREBY GIVEN that the Transfer Books relating to the 6½% First Mortgage Debenture Stock 1986-90 of the Company will be closed from the 8th to the 15th May, 1984, both dates inclusive.

By Order of the Board.
R. S. TAYLOR,
Secretary.

71-78 Victoria Street,
Wolverhampton.

CONTRACTS & TENDERS

ANNOUNCEMENT

Sale of skins of Sacrificial Sheep "ALHADI" and "AL-ADAHI" at the Al Moaisim model abattoir in Mena for the benefit of poor Muslims.

The Sacrificial Meat Utilization Committee announces the sale of approximately 200,000 sheepskins skinned by expert butchers at the Moaisim model abattoir set aside at the disposal of the Sacrificial Meat Utilization Committee (for the year 1404H Haj season).

Bids should be addressed in closed envelopes to:

**The Director of the Office for the Mena Development Project
P.O. Box 6172, Jeddah
Kingdom of Saudi Arabia**

Bids should be submitted not later than the end of working hours on Wednesday, 16th May, 1984, specifying the quantity the bidder can undertake to purchase at the price listed in the bid.

The purchaser shall be responsible for the immediate removal of the skins from the abattoir at his own expense.

A bank guarantee representing 1 per cent of the value of the bid shall be attached.

COMMITTEE SUPERVISING THE SACRIFICIAL MEAT UTILIZATION PROJECT

CONTRACTS & TENDERS

BOROUGH OF BLACKBURN

BANKING ARRANGEMENTS

The Council invites quotations from banking firms interested in becoming the Council's Bankers from 1st April 1985.

Particulars of the Borough and of the approximate volume of business to be transacted may be obtained from the Director of Finance, Town Hall, Blackburn, Lancashire BB1 7DX.

All enquiries will be dealt with in strict confidence.

PERSONAL

INTERIOR DESIGN INTERNATIONAL '84 [illegible] 1984 [illegible]

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 26.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
[illegible]						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
[illegible]						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
[illegible]						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
[illegible]						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
New Zealand 7¾ 89	15	103	103½	−0⅛	−0⅛	6.87
World Bank 7¾ 93	20	101½	101⅞	−0⅛	−0⅛	7.38
Average price change On day −0⅛ on week −0⅛						
British Col Hyd 12 89 C$	125	94⅞	95⅝	−0⅛	−0⅛	12.83
Brit Col Tel 12¾ 99 C$	70	95⅞	96	−0⅛	−0⅛	12.88
Canadian Occ 12⅞ 99 C$	60	†95⅞	96⅝	−0⅛	−0⅛	13.04
E.I.B. 12½ 91 C$	80	†96⅝	97⅛	+0⅛	+0⅛	12.78
Loblaw 12½ 90 C$	35	†95⅞	96	+0⅛	0	13.47
Montreal City Of 12 90 C$	50	†97⅞	97⅞	+0⅛	+0⅛	12.51
World Bank 12¾ 90 C$	75	†97⅞	98⅝	+0⅛	−0⅛	12.65
E.I.B. 11¼ 96 ECU	50	†100	101	+1⅛	+1⅛	11.15
Royal Bk Can 10½ 89ECU	85	†97⅞	98⅝	−0⅛	−0⅛	10.87
Amro Bank 8 89 Fl	200	99	99½	+0⅛	−0⅛	8.18
Amro Bank 8¾ 88 Fl	100	102⅞	103⅞	0	−0⅛	7.90
Bk Mees & Hope 8¼ 89Fl	100	99⅞	99⅞	0	−0⅛	8.37
Int Stand Ele 8½ 89Fl	100	101⅞	101⅞	0	−0⅛	8.07
PHP 8¼ 89 Fl	75	99⅞	100⅞	+0⅛	0	8.21
Rabobank 9 88 Fl	100	103⅞	103⅞	−0⅛	−0⅛	8.06
O.K.B. 14 86 FF	400	101	102	+0⅛	+0⅛	12.83
Solvay & Cie 14¾ 86 FF	200	101⅞	102⅞	0	0	13.42
B.F.C.E. 11½ 88 £	50	100⅞	101⅞	+0⅛	0	11.21
Ciba-Geigy Int 8¾ 93 £	25	99⅞	101	0	0	8.71
Commerzbank 11½ 90 £	25	100⅞	100⅞	+0⅛	+0⅛	11.36
Denmark 10¾ 89 £	75	97	97⅞	+0⅛	+0⅛	11.50
E.E.C. 11⅞ 94 £	50	98⅞	98⅞	+0⅛	0	11.80
E.E.C. 11⅞ 93 £	50	100⅞	100⅞	0	+0⅛	11.75
E.I.B. 10⅞ 92 £	50	95⅞	95⅞	0	+0⅛	11.87
Finland Rep 11⅞ 88 £	50	102	102⅞	0	+0⅛	11.12
Forsmarks 10⅞ 99 £	40	96⅞	98⅞	+0⅛	+0⅛	11.88
I.B.J. 11⅞ 85 £	30	98⅞	99⅞	0	0	11.74
I.I.I. 10⅞ 93 £	25	95⅞	95⅞	0	−0⅛	11.53
Int Stand Ele 11⅞ 89 £	50	99⅞	100⅞	+0⅛	+0⅛	11.13
SNCF 11¼ 94 £	60	95⅞	96⅞	0	−0⅛	11.95
World Bank 10⅞ 89 £	100	97⅞	98⅞	+0⅛	+0⅛	11.28
World Bank 11⅞ 88 £	100	100	100⅞	0	+0⅛	11.87
Electrolux 10 89 LF	500	97⅞	98⅞	−0⅛	−0⅛	10.46
Coal Europe 10⅞ 93 LF	600	99⅞	100⅞	0	+0⅛	10.73

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Banking 5¼ 96	0⅛	†98⅞	98⅞	15/8	10.81	10.96
B.B.L. Int 5 89	0⅛	98⅞	98⅞	11/10	11.19	11.33
Banca Naz Lavor 5¼ 91	0⅛	98⅞	99⅞	26/4	5⅞	5.30
Banque Indosuez 5¼ 99	0⅛	99	99⅞	21/8	11.06	11.16
Barclays O/S Inv 5 2004	0⅛	98½	98⅞	2/8	10.56	10.71
BFG Fin 5¼ 96	0⅛	99	99⅞	1/8	10⅞	10.47
Commerzbank 5¼ 89 XW	0	98⅞	99⅞	21/5	10	10.05
Creditanstalt Bank 5 98	0⅛	98	98⅞	23/8	10⅞	10.79
Dresdner Fin 5¼ 88	0	99⅞	99⅞	23/5	10⅞	10.31
E.D.F. 5¼ 99	0⅛	98⅞	98⅞	23/8	10.56	10.72
E.E.C. 5 90	0⅛	99⅞	98⅞	5/7	10⅞	10.49
Ferrovie Stato 5¼ 99	0⅛	98⅞	98⅞	31/8	10.69	10.82
Grindlays Euro 5¼ 94	0⅛	99⅞	99½	1/8	10⅞	10.31
Lloyds Euro 5 2004 §	0⅛	98⅞	98⅞	18/4	5	5.07
Midland Int Fin 5 99 §	0⅛	98½	98⅞	8/8	10.56	10.71
Mitsui Finance 5¼ 98	0⅛	98⅞	98⅞	1/8	10.56	10.67
Mort Bk Denmark 5¼ 99+	0⅛	99⅞	99⅞	11/8	11	11.06
Neste Oy 5¼ 94	0⅛	99	99⅞	23/8	10.58	10.66
Oster Land 5¼ 99 §	0⅛	98⅞	98⅞	11/10	11.19	11.34
Quebec Hydro 5¼ 94	0⅛	99⅞	99⅞	19/7	10⅞	10.20
Societe Gen 5¼ 94	0⅛	99	99⅞	15/8	10.18	10.27
Spain 5¼ 97	0⅛	98⅞	98⅞	23/8	10.58	10.75
Sumitomo 5¼ 94 §	0⅛	99⅞	98	9/8	10⅞	10.24
Sweden Kingdom 5¼ 2024	0⅛	†97⅞	98⅞	22/8	11.19	11.42
Takugin 5¼ 94 §	0⅛	99⅞	99⅞	15/8	10⅞	10.06
Average price change On day 0 on week 0						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
BBC Brown Boveri 4¼ 95	2/84	100	†99⅞	100½	0	−1.38
Daiwa Sec Co 5½ 98	10/83	481.8	†132⅞	134	−0⅛	−1.06
Fanuc 3¾ 98	1/84	9142	143	144	+3	38.13
Fujitsu 3 99	5/84	1320.9	106⅞	107⅞	+0⅛	9.23
Hitachi Cable 5¼ 96	2/82	515	152⅞	154⅞	−0⅛	−1.08
Honda Motor 5¼ 98	6/83	894	132⅞	133⅞	0	1.46
Konishiroku Photo 4 98	10/83	673	101⅞	102⅞	−0⅛	3.82
Kyowa Hakko 6¼ 97	2/83	782	131⅞	133⅞	+0⅛	10.34
Minebea Co Ltd 5½ 98	5/83	687	114⅞	115⅞	+0⅛	−1.53
Mitsubishi Elec 5¼ 98	6/83	306	115⅞	116⅞	+0⅛	1.67
Mitsubishi Heavy 4¾ 99	1/84	253	107⅞	108⅞	+4	6.95
Murata 3½ 99	2/84	2939	131	132	+1	38.01
Nippon Oil Co 3¼ 99	3/84	1062	117⅞	118⅞	+0⅛	3.17
Nippon Oil Co 5½ 98	4/83	984	128⅞	129⅞	+0⅛	1.96
Nissan Motor 5¼ 98	4/83	780	110⅞	111½	+0⅛	11.83
Olympus Optical 6¾ 97	12/82	1157.4	102⅞	103⅞	−0⅛	12.83
Ono Pharm'cal Co 3¼ 99	3/84	9480	155⅞	157⅞	+3⅞	4.30
Orient Leasing 6¼ 98	6/83	2800	144⅞	145⅞	+0⅛	−5.34
Secom 5 98	11/83	2828	202⅞	204⅞	+1⅞	5.52
Yamaichi Sec Co 5 98	8/83	449.5	131⅞	133	0	−1.00
Yamanouchi Pharm'cal 4 98	10/83	1890	182⅞	183⅞	+0⅛	23.10
Nippon Airway 2¾ 94 SF	2/84	354	†101	103	+0⅛	−1.40
Nippon Shinpan Co 2 92 SF	3/84	801	100⅞	102⅞	+0⅛	21.28
Sanyo Paper 2¾ 92 SF	4/84	677	115	117	+4⅞	−1.78
Asics 5 92 DM	12/83	520	108⅞	109⅞	−0⅛	20.88
Sun Realty 6½ 92 DM	2/83	366	105⅞	106⅞	+⅞	0.94

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week — Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date — Date next coupon becomes effective. Spread — Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn. — current coupon. Cu. yld — current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day — Change on day. Cnv. date — First date for conversion into shares. Cnv. price — Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem — Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

New Brunswick in first EuroCanadian floating rate note

BY MARY ANN SIEGHART IN LONDON

SALOMON BROTHERS monopolised the Eurodollar bond new issue market yesterday by leading the only two new deals of the day, as well as an $800m Yankee bond for Sweden in the U.S.

It broke new ground in the EuroCanadian dollar market by launching the first Canadian dollar floating rate note. The province of New Brunswick is raising C$75m through a 10-year FRN which has a put option for investors after 5½ years.

The coupon is ⅛ per cent over a three-month composite Canadian dollar deposit rate which is based on a combination of the U.S. interbank offered rate and the spot and forward rates for the U.S. dollar against the Canadian dollar. Front-end fees are 0.60 per cent.

The bond is exempt from the restrictions placed on the sale of many EuroCanadian issues in Canada because it is issued by a province. Demand is therefore expected to come from Canada and Europe, *and possibly Japan.*

The issue was launched too late in the day for a price level to be reached.

Caisse Centrale de Cooperation Economique, France's foreign aid agency, yesterday issued a series of zero-coupon bonds through Salomon Brothers and Banque Paribas. In total, it is raising $100m and the series consists of 25 tranches worth $13.8m each and one tranche of $100m.

The small tranches mature annually from May 1, 1985 to 2009, which is also the year in which the $100m tranche is redeemed. The bonds are sold at a discount and the yields vary from 11.83 per cent for the first tranche to a peak of 13.67 per cent on the tranche maturing in 1992. The $100m tranche yields 11.67 per cent.

C. Itoh, the Japanese trading company, is raising $50m through a five-year bond with warrants guaranteed by Dai-Ichi Kangyo Bank. The indicated coupon is 7⅛ per cent and the deal has the standard warrant structure.

Nikko Securities, Robert Fleming and Dai-Ichi Kangyo Bank are leading the issue, which traded at a steep 2¼ per cent discount.

Today should see the launch of a yen-linked bond for Chubu Electric Power, a consequence of the recent liberalisation measures by the Japanese Ministry of Finance. The bond has a five-year life and will probably pay a 6⅞ per cent coupon at a price of 99⅞. The amount will be the dollar equivalent of Y10bn. Nomura Securities is leading the deal.

Prices of seasoned bonds rose by ⅛ point in the dollar sector but closed unchanged in D-Marks and Swiss francs.

BHF Bank bond average

April 26		Previous
98.585		98.558
High	1984	Low
100.009		98.056

WEEKLY U.S. BOND YIELDS (%)

	April 25	April 18	1984 High	1984 Low
Composite Corp. AA	13.32	13.22	13.32	12.19
Government:				
Long-term	12.65	12.66	12.68	11.51
Intermediate	12.47	12.44	12.47	11.33
Short-term	11.74	11.72	11.74	10.70
Municipal	n.a.	9.94	9.94	9.48
Industrials AAA	12.83	11.76	12.83	11.79
Industrials AA	13.16	13.14	13.16	12.02
Utilities AA	13.48	13.29	13.48	12.33
Preferred Stocks	n.a.	11.62	11.79	11.07

Source: Standard & Poor's

PHILIPS

WARRANTS 1983

Notice is hereby given to the Warrantholders that as decided upon by the general meeting of shareholders of April 26, 1984 a distribution of shares will be made to shareholders out of the sharepremium account at the rate of one new share for each ten shares held. As a result of such distribution, the Warrant Exercise Price at which shares are issuable upon exercise of the Warrants has been adjusted pursuant to Condition 6 *of the Warrants from Dfls 58.*— per share to Dfls 52.70 per share, effective from April 27, 1984.

Eindhoven, April 27, 1984

N.V. Philips' Gloeilampenfabrieken

N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken

Crédit du Nord

The Board of Directors of CREDIT DU NORD met on April 12 and approved the 1983 annual accounts which show a net profit of FFr 155.6 million. This figure includes extraordinary capital gains of FFr 139.1 million and net earnings of FFr 16.5 million following a loss of FFr 59.2 million in 1982. These results are given after corporation taxes amounting to FFr 31.8 million against FFr 20.2 million in 1982. The volume of loan provision especially for bad debt amounts to FFr 283.6 million against FFr 378.7 million in 1982.

The group RIBOUREL, which is now 100% controlled by CREDIT DU NORD, has still affected the 1983 results. CREDIT DU NORD hopes that this group will break even in 1984.

The CREDIT DU NORD's accounts will be submitted to the General Meeting *for approval on May 10.*

OVER-THE-COUNTER

Continued from Page 36

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					